

NORTH ESSEX MULTI-ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	D Gask B Pentelow J Turner (resigned 21 January 2016) T Parrott A Hicks
Trustees	D Gask, Chair B Pentelow J Turner (resigned 21 January 2016) T Parrott A Hicks D Iles (resigned 31 December 2015) R James G Sprawling N Vosper (resigned 31 August 2016) E Ward D Conway, Accounting Officer A Allocca (appointed 1 September 2016)
Company registered number	07687474
Company name	North Essex Multi-Academy Trust
Registered and principal office	Notley Road Braintree Essex CM7 1WY
Company Secretary	Mr P Harrison
Chief Executive Officer	Mr D Conway
Senior Leadership Team	D Conway, Executive Headteacher P Harrison, Finance & Operations Director R Newman, Senior Deputy Headteacher R James, Headteacher R Kelly, Deputy Headteacher C Leys, Deputy Headteacher J Fuller, Deputy Headteacher S Steadman, Assistant Headteacher K Stubbs, Assistant Headteacher M Townsend, Assistant Headteacher C Wager, Assistant Headteacher M Higgon, Assistant Headteacher M Gibbs, Assistant Headteacher M Everett, Assistant Headteacher S Muir, Associate Member of SLT
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Bankers

Lloyds TSB
Bank Street
Braintree

Solicitors

Ward Hadaway
Sandgate House
102, Quayside
Newcastle upon Tyne
NE1 3DX

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the financial statements and Auditor's Report of North Essex Multi Academy Trust for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates two secondary Academy Schools (the Academy or the School) serving a catchment area in Essex. The Academies have a combined pupil capacity of 2200 and a roll of 2018 students in the 2016 census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Charitable Company includes the following Academies:

- Notley High School & Braintree Sixth Form, Braintree, Essex. - 01.09.2013 (Notley)
- The Ramsey Academy, Halstead, Essex, sponsored by Notley High School & Braintree Sixth Form under the DfE Academy sponsorship program - 01.09.2014 (Ramsey)

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

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

Members' Liability

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

Trustees' and Officers Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees / Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 13 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

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

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

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

The total number of Trustees (including the Executive Headteacher) who are employees of the Company shall not exceed one third of the total number of Directors, with at least two Parent Trustee being elected or appointed from the Local Governing Bodies (LGB's) from a member Academy, whilst they are a parent of a registered pupil of one of the Academies.

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

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Policies and Procedures adopted for the Induction and Training of Trustees

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

All Trustees are DBS checked on appointment.

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

Organisational Structure

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

The MGB, which meets on at least three occasions per year, together with its three sub committees (Finance & HR, Risk & Audit & Standards & Performance). The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting policy, adopting an annual development plan and budget, monitoring the effective use those budgets and making major major decisions about the direction of the Trust , Capital Expenditure and Senior Staff appointments.

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

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

The MGB looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

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

Arrangements for setting pay and remuneration of key management personnel

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

These personnel include the Executive Headteacher, the headteacher of Ramsey and the Chief Financial Officer (CFO & Finance & Operations Director).

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

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

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Related Parties and other Connected Charities and Organisations

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

The Schools have strong working relationships for mutual benefit with many local educational establishments. These include a number of feeder primaries in the local area and secondary schools spread over a broader area. Notley High School & Braintree Sixth Form is the Lead Academy for Mid-Essex Initial Teacher Training consortium (MEITT) which provides for the training of some 40-45 trainee teachers each year (Teacher Training Program).

In a number of partnerships, The Trust is working actively to develop a range of improvement initiatives to develop teaching and learning and CPD, including leadership development and initial teacher training. These partnerships include the Saffron Walden TSA, ASHE, Lyons Hall TSA and partnership with local secondary schools in the Braintree Sixth Form.

In 2015-16 the Trust enhanced further its partnership with the 'Notley Family of Schools' (NFOS) constituting a significant amount of the local Primary schools in and around the Braintree and Halstead geographical area. The Partnership exists to collaborate across phases and to share good practice with member schools across the community.

The Trust works closely with its five core 'catchment' primaries. There is a full programme of link work delivered by our Schools covering a wide and diverse range of activities including curriculum/extra-curricular based opportunities and also collaborative training and development opportunities for staff and Trustees.

We connect with other alternative educational providers in the area to support the Academies Alternative Education Programme.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- Advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing school offering a broad range of curriculum for pupils of different abilities and to;
- Provide free education and care for pupils of different abilities between the ages of 11 and 19.
- To continue to pursue and develop the Trust growth strategy in relation to the strategic plan and to finalise and publish this plan in early 2016-17 academic year.

The aims of the Trust during the year ended 31 August 2016 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To ensure that every student makes at least the expected level of progress against national targets;
- To provide a broad and balanced curriculum, including extra-curricular activities which provide pathways that take account of pupils' needs;
- To develop students as more effective learners;
- To enhance the provision and outcomes at post-16;
- To improve the Trust facilities and learning environment so that it enables students to achieve their full potential;
- To meet the needs of all pupils so that they meet their full potential;
- To improve the effectiveness of the schools by keeping the curriculum and organisational structure under continual review;
- To maximise the number of students who achieve 5 A* - C GCSE grades including English and maths, improve the progress that students make (to at least 0.25 on Progress*) and raise the attainment of pupils with high prior attainment;
- To provide value for money for the funds expended;
- To provide high quality professional development for all staff;
- To work closely with our feeder primary schools to support the successful transition of pupils;
- To ensure that provision of high quality information, advice and guidance is in place;
- To develop coherence, clarity and effectiveness in School and Trust systems;
- To comply with all appropriate statutory and curriculum requirements;
- To develop the Trust's capacity to manage change, and work collaboratively with partner organisations to this end; and
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

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

Objectives, Strategies and Activities

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

Achievement of students

- Raise achievement at all Key Stages and ensure teaching over time is impacting on achievement.
- To ensure that the most able students achieve the highest grades across a wide range of subjects.
- To focus more collaboratively with the feeder primary provision on transitional arrangements to ensure that accurate progression/achievement data is accounted for within KS3 to ensure that appropriate interventions are in place to allow all students to achieve their very best as early as possible.

Quality of teaching

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

Behaviour and safety of students

- Focus on behaviour for learning and learning behaviours which support achievement through Discipline with Dignity;
- Enhance strategies to engage with parents/carers and be re-designated with LPPA (Leading Parent Partnership Award).
- Improve Year 7-11 attendance to 96%.

Leadership and management

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

Braintree Sixth Form

- Focus on recruitment to Braintree Sixth Form and maximise recruitment from our own schools;
- Raise achievement at Key Stage 5 (IB and A Level) and ensure teaching over time is impacting on achievement.
- Continue to develop a meaningful, attractive and sustainable curriculum to ensure that there is continue choice for all students in North East Essex at Key Stage 5.

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

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Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit (Pb1) in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Braintree and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools and offering a broad curriculum.

Beyond this, the Academies aim to offer an education for the whole individual providing exceptional opportunities for personal as well as academic success. With this in mind, each School seeks to provide for the cultural, physical, spiritual as well as academic development of students. The wide range of extra-curricular activities, educational trips and visits offered to, and taken up by our students contribute to schools which are happy and in which students thrive.

We support other schools through the delivery of professional development and the sharing of practice and knowledge to ultimately benefit the wider community.

STRATEGIC REPORT

Achievements and Performance

During the year, the Trust continued to refurbish the Schools' estates. A series of refurbishments to flat roofs at Notley was completed, together with a significant (£500,000) re-cladding project at Ramsey. These projects were funded by the Trust's own capital funds and a substantial grant from the Condition Improvement Fund (CIF) from the Education Funding Agency.

These projects form part of the continuing delivery of the Trust's Strategic Site Development Plan. It is the intention of the trustees to continue this refurbishment programme to enhance the learning environment. These projects will be funded from a combination of the Academy's financial reserves and Capital Grant from the Education Funding Agency.

At Notley further progress was made with an improved set of academic results with the previous, nationally recognised, key attainment benchmark at KS4 (5 A*-C including English & maths) GCSE being 60% on best entry (51% 2014 and 59% in 2015). The provisional Progress 8 score also remained at "expected progress".

At Ramsey, record breaking GCSE results were achieved. Building on the success and continued improvement of the last few years, 59% of students achieved 5 A*- C GCSEs including English and Maths, an increase of 11% from 2015.

At post-16 the percentage of students achieving A*-B grades at A level improved slightly on the previous year. The overall pass rate achieved (A*-E) being 97.8% (National pass rate 98.1%). At A level 43.7% of students obtained A*-B while 23.7% achieved A-B grades at AS level with 79.9% obtaining A-E at AS level.

Recruitment of students into Braintree Sixth Form was slightly less than in 2015 with 254 students entering or continuing with their post 16 education with the Trust. This compared to 262 students at the same point in 2015.

In March 2016 the Notley were inspected by Ofsted under the 'Short Inspection' regime and the Academy was deemed to 'Continue to be Good' and it was judged that 'There has been an acceleration in the rate of improvement being made across the School'.

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Key Performance Indicators (KPIs)

The Trustees receive regular information to enable them to monitor the performance of the constituent Schools compared to aims, targets, strategies and financial budgets. As core funding is based on pupil numbers, this is a key performance indicator and the total pupil numbers increased from 2018 students in 2015, to 2026 students in 2016.

Notley remains oversubscribed at KS3/4 with a planned admission number of 250. The Braintree Sixth Form has seen a slight decrease in recruitment from 262 in years 12 & 13 in 2015 to 254 in 2016.

At Ramsey, addressing the decline in pupil numbers over the last few years has been a major priority in order to ensure sustainability and viable budgets moving forward. Admissions in September 2015 increased to 121 and this upward trend is forecast to continue with 122 admissions achieved in 2016 and an encouraging increase in applications for 2017 which will allow the Academy to exceed its target Pupil Admission Number (PAN) target of 130. Further pressure on primary and secondary school numbers has been indicated in the Local Authority Strategic Plan due to increased housing stock and the continued expansion of both Braintree district and Halstead. The Trustees 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. There is a possibility of the need for a new secondary school (Free School Academy) in the Notley area of Braintree by 2020 and the Trust is in early discussion with the Regional Schools Commissioner to discuss the viability of a Free School application as part of The Trust.

A review of KPI analysis was carried out in 2015/16 financial year in light of increasing pressure on school budgets. In future, wider and more frequent analysis of the following ratios will be further embedded into Financial Management structures of all member academies in the Trust:

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

An example key financial performance indicator is staffing costs as a percentage of total income. For 2014/15 this was between 80-81% against set parameters of 78-80%. In 2015-16 this decreased marginally to 79% despite an actual increase in staffing cost of 5% across the Trust due mainly to statutory employment cost inflation. This was due to a significant increase in Trading Income generated by the Trust on other activities which showed an increase of 20% on 2014-15 levels. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

Going Concern

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

In 2015-16, 91% of the Trusts funding was provided by the Department for Education and other Government bodies. The current Government have pledged to introduce a 'Fairer Funding System' via a revised funding formula by 2018-19. This will be designed to smooth the inequities across different local authorities in respect of per pupil funding levels. The impact of this change on the Trust's funding levels in the Essex authority is likely to be relatively neutral as Essex sits in the middle lower quartile in terms of per pupil funding rates nationally.

Whilst the Government have stated that funding settlements to schools and academies are protected, they do not currently allow for 'cost pressure' influences outside of schools control, such as increases in pension employer cost, employers NIC and energy inflation. Therefore education funding in real terms has reduced relatively over the past few years which has put pressure on the Trust's level of reserve funds.

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Whilst uncertainties clearly exist, the Trustees have been able to gain confidence in the Academy's basis as a going concern. This is based on the continued over-subscribed status of Notley into Year 7 each year, together with strengthening pupil numbers at Ramsey. Also, the MGB have agreed ambitious expansion plans for the Trust which will eventually relinquish procurement savings across many areas of central procurement and the Trust overhead cost structure. The SLT and the Trustees have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future.

FINANCIAL REVIEW

The principal source of funding for the Trust is General Annual Grant (GAG) in the form of recurrent grants obtained from the DfE via the Education Funding Agency (EFA). This can relate to revenue & capital funding. Its use is restricted to particular educational purposes. The total grants received from the DfE during the year ended 31 August 2016 amounted to £688,460. This income together with the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

The Academy also receives grants for capital additions and fixed assets from the EFA from time to time. This amounted to £475,645 in 2015/16. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies. In the 2015-16 Financial Year the Trust transferred £71,000 to support capital new build and improvement projects on the various Academy sites.

During the year ended 31 August 2016, total expenditure of £14,375,157 was covered by recurrent grant funding from the EFA of £10,578,889, together with other incoming resources of £2,153,282. The excess of expenditure over income for the year before transfers (excluding restricted fixed asset funds) was £556,941. This in year deficit is due largely to the continuing 'real terms' reduction in core funding and also cost pressure on wages and salary expenditure. The Trust brought forward from 14/15, £32,206 of restricted funds and £1,597,199 unrestricted funding. The carry forward for 15/16 is £84,953 restricted funding and £987,511 unrestricted funding.

At 31 August 2016 the net book value of fixed assets was £17,415,693 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust. In the 2105-16 financial year, the Fixed Asset and Depreciation Policy was revised to increase the limit of capitalisation of assets to £10,000. In the year, based on this change in accounting practice, £538,488 were written off and this is referred to in the notes to the Financial Statements, including in accounting policies and critical estimates and judgments.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £6,853,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

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

Trustees have adopted an external verification process for scrutiny of financial management as part of its risk management system as part of its review of internal controls. A separate Risk & Audit Committee is now operational and reports directly to the MGB on key areas of control within the accounting function. This is in direct response to recommendations from the EFA and external Auditors. Particular attention is given to control systems and processes that may expose the Trust to poor regularity or propriety issues or exposure to fraud.

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

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Reserves Policy

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

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

The Academy's total reserves at the balance sheet date of 31 August 2016 were £11,796,642 (2015: £16,201,328).

Free reserves (working capital reserves) will be allocated to Academies improvement priorities through the development planning process. This will include allocation to further capital project commitment if required. The Trust's current level of free reserves (total funds less the amount held in fixed assets (net) and restricted funds) is £1,597,199.

Other considerations for use of the general reserve are:

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

Investment Policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trustees aim to invest surplus cash funds to optimise 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 Trust.
- 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 optimise returns on invested funds for the benefit of the Trust's charitable aims and objectives.

All funds surplus to immediate requirements are invested to maximise income. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates.

Day to day management of the surplus funds is delegated to the Executive Headteacher and Trust Business Manager within strict guidelines approved by the MGB. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

An Investment Policy (Part of the Trust Financial Regulations Manual) was approved by the MGB in July 2016.

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TRUSTEES' REPORT (continued)
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Principal Risks and Uncertainties

The Trust works with LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Risk & Audit Committee and the Finance Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Risk & Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

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

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

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

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

Financial - the Trust has considerable reliance on continued Government funding through the EFA, and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. In the last year 91% of the Academy'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).

Physical Environment – Ongoing concerns over funding levels in the short/medium term also translate to 'Capital Funding' availability from Government. The Trust currently operates a 'Strategic Site Development Plan' for all of its Estates delivering significant improvements to buildings and infrastructure on a rolling basis.

However, the general condition of the buildings is a perennial problem requiring ongoing attention and consistent levels of capital funding. The Trust is however experiencing a greater degree of difficulty in terms of its Capital Bid outcomes which is compounded as the number of Academies grows with the available capital resources remaining at previous levels in real terms. If the necessary capital funds are not forthcoming (mainly from Government) the environment will suffer relatively quickly due to the design/age of the buildings and the over-use they receiving. This area will require careful monitoring to ensure that the learning/working environment is sufficient, suitable and in acceptable condition. The Trust's ability to guarantee this objective is uncertain. Therefore a greater degree of capital funding will inevitably have to come from the Trust's reserves rather than Government funding. This, however, is not sustainable in the medium/long term.

Reputational - The continuing success and growth of the Trust and its Academies is dependent on consistently attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success, progress and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection, recruitment and monitoring of staff, the operation of child protection policies and procedures and health & safety and risk assessment of these critical areas of operation. This continues to be a very high priority.

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

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

Financial Instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Defined Benefit Pension Liability - defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen their risk management process throughout the year by improving the process and ensuring staff awareness.

The risk register review process has been streamlined further with the allocation of specific areas to individual committees for regular review which is monitored by the MGB.

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and the SLT and include the financial risks to the Trust. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which each Academy is exposed, in particular those relating to its changes in leadership and management, adverse publicity, teaching and learning, not being judged as good or outstanding in future Ofsted visits and Trustees insufficiently aware of their responsibilities & accountabilities. Due consideration is being exercised around the area of Trust growth and the necessary due diligence processes that are required when potentially engaging with other institutions.

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

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular management accounts at LGB meetings and at MBG level. The Trustees also regularly review cash flow forecasts and trading activities 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. Future commitments to operating lease instruments are detailed in the notes to the accounts.

Investment risk is managed with short term (3 or 6 month) fixed price deposit bonds or other similar products under the strict control of the Trust's Investment Policy conditions.

PLANS FOR FUTURE PERIODS

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

- Develop and implement further strategies within Key Stage 2 to Key Stage 3 transition to improve overall progress;
- To consistently identify those learners who require additional support to ensure they make good progress at all times.
- To continue to raise the standard of educational attainment, progress and achievement of all pupils;
- To ensure that the most able students are encouraged and challenged to ensure that they reach their full potential (Ofsted 2016).
- To provide a broad and balanced curriculum, including extra-curricular activities which provide pathways that take account of pupils' needs and the changing educational landscape.
- To continue to ensure that all students and staff work in a safe and secure environment.

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

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

In understanding and developing our 'risk strategy', we aim to understand fully the local educational landscape, especially in relation to future growth in secondary numbers of students in and around Braintree and Halstead. Our current plans in relation to potential growth in this area are now at the developing stage with additional Primary Academy provision joining the Trust in the next Academic Year.(2016-17) . Our strategy is to listen to the views of the local community and respond to these views with the best interests of the young people of Braintree and Halstead at the centre of our development decisions.

NORTH ESSEX MULTI-ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

We are developing various business strategies in relation to the expansion of 'traded services' to the mutual benefit of our Academies and to other schools in the area. Furthermore, we aim to extend these services further in 2016/17 and beyond. Any profits that derive from these activities will be diverted back to the education budget for investment in our core strategy.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust acts as an agent administering the 'Mid-Essex Initial Teacher Training' scheme (MEITT) and the 'Notley Family of Schools' (NFOS). The charitable objects of both these schemes fit in with those of North Essex Multi Academy Trust as the funds are held for teacher training and other education related expenditure. Payments received and subsequent disbursements to students and trainees are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use a proportion of the costs towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25. At the year end the Trust held £325,371 on behalf of MEITT and £56,516 on behalf of NFOS.

AUDITOR

Insofar as the Trustees are aware:

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

Price Bailey LLP, has indicated its willingness to continue in office.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 13 December 2016 and signed on its behalf by:

D Gask
Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The MGB has formally met 5 times during the year. Attendance during the year at meetings of the MGB was as follows:

Trustee	Meetings attended	Out of a possible
D Gask, Chair	5	5
B Pentelow	5	5
J Turner (resigned 21 January 2016)	0	2
T Parrott	5	5
R James	3	5
G Sprawling (resigned 31 December 2015)	1	1
N Vosper	5	5
E Ward	5	5
D Conway (resigned 31 August 2016)	4	5
A Allocca	5	5

The Finance & HR Committee is a sub-committee of the MGB. Its purpose is to agree and monitor the management of the Trust's budget and its overall financial performance. Matters covered by the Finance and HR Committee during the year and included in the Value for Money statement.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Turner (resigned 21 January 2016)	0	2
Mr D Gask	4	4
Mr T Parrott	4	4
Mr B Pentelow	4	4
D Conway	4	4
Mr D Iles (resigned 31 December 2015)	1	2
Mrs E Ward	4	4
Mrs A Wright	2	4
Mr B Britten	4	4
Mr M Bailey	4	4
Mr R James	4	4

NORTH ESSEX MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Audit Committee is a sub committee of the MGB. It ensures that robust and effective systems of internal control exist in the Trust. It meets at least twice each year and it reviews the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and compliant manner. The committee also liaises with both the external and Internal Auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Britten	3	3
Mrs A Wright	1	1
Mr M Bailey	1	1
Mrs L Mitchell	2	2
Mr D Fugeman	2	2
Mr B Pentelow	2	2

Matters covered by the Audit committee during the year included:

- Risk Register
- Insurance arrangements
- Internal Control processes
- External audit findings
- Regulatory control
- Business interests/Related party transactions
- Probity
- Compliance

REVIEW OF VALUE FOR MONEY

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

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

Robust Governance and oversight of the Academy Trusts Financial & Risk Management (VfM)

- Financial governance and oversight is very strong, with several of the Finance Trustees having worked professionally in commerce and industry and some within the financial services sector.
- Budgets are set against strict pre-agreed criteria and systems exist to control the levels of 'contingency reserves' that the Trust operates to. This is to protect the Trust against unforeseen circumstances.
- Management accounts are prepared and issued bi-monthly, to enable regular monitoring, variance analysis and to test Value for Money.
- Spending proposals and business plans are utilised and presented to the Trustees and SLT's and then challenged appropriately. This relates to all significant expenditure.
- Regular budget updates are provided, including 3 year projections, which enables both short and long term budget decisions to be made appropriately and in line with priorities.
- Trustees ensure that budgets are linked to the School Improvement Plan and the Strategic Site Development Plan to ensure that financial discussion is always focused on the Trusts core priorities.
- All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for the Trust.
- School spend is benchmarked against other Academies and areas where we significantly over or under spend have been thoroughly investigated and assurances provided that the spend is appropriate to our specific Academy.
- Benchmarking highlighted in 2014-15 that additional income generation is average for our Trust, and detailed business plans have now been agreed and implemented to deal with this deficiency.
- The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable. The Investment Policy allows Trustees to monitor within the guidelines of the policy, the activities of the Academies authorised personnel in this investment practice.
- The Trustees are committed to using the services of high quality Auditors to gain comfort on the internal financial and risk systems and processes in operation in the Trust.

NORTH ESSEX MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- The Trust has continued to strengthen its risk management process throughout the year by improving the process and enhancing Trustee and staff awareness. The risk register review process has been improved further with the allocation of specific areas to individual committees for regular review which is monitored by the MGB. Internal control processes have also been enhanced. This process mitigates risk, protects public funds and ensures that all funds are spent properly with propriety at the heart of all financial transactions.
- Improving academic achievement in line with or exceeding national levels of performance.
- Differentiation in the curriculum along with individual support for those in need particularly the students eligible for pupil premium and those with special needs.
- Development of a sixth form in collaboration with local schools that is staffed by teachers from within the trust and from the partner schools.
- Employment of staff with suitable experience and at a reasonable cost to ensure the overall staffing salaries do not exceed 80% of total income.
- Ensuring that annual service contracts are regularly benchmarked against local schools and academies
- Competitive quotations for products, services and contracts.
- Ensuring that tendering procedures are robust when the value of products or works exceeds recognised levels
- Endeavouring to increase income generation through greater community use of facilities such as the sports centre and arts theatre and general lettings.

Ensuring the operation of the Trust demonstrates good value for money and efficient, effective use of resources

- The Trust regularly benchmarks financial performance against other academy trusts to demonstrate that it achieves good value for money. Tender exercises are undertaken for high value procurement supported by professional and independent evaluation and assessments of the responses to tenders before any decision is made.
- For purchases above £3,000 but below the tender limit 3 quotations are obtained where possible.
- Review of all cost areas is periodically undertaken to challenge supplier price and use the Trust's commercial status to drive efficiency and protection from cost pressure.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 the Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The MGB has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The MGB is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the MGB.

THE RISK AND CONTROL FRAMEWORK

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the MGB;
- regular reviews by the Finance & HR committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

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

GOVERNANCE STATEMENT (continued)

The MGB has considered the need for a specific internal audit function and has decided to appoint Essex County Council as internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the Internal Auditor reports to the MGB on the operation of the systems of control and on the discharge of the MGB's financial responsibilities.

During the year specific work included:

- Testing of Payroll Systems and reconciliation processes.
- Testing of Purchase and Procurement systems.
- Testing of all internal control account reconciliations/bank reconciliations.
- Testing of adherence to the agreed Financial Regulations Policy for the Trust.

The Internal Audit process is carried out each term and reports are received by the trustees 3 times each year.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 13 December 2016 and signed on their behalf, by:

D Gask
Trustee

Mr D Conway
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of North Essex Multi-Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

D Conway
Accounting Officer

Date: 13 December 2016

NORTH ESSEX MULTI-ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 13 December 2016 and signed on its behalf by:

D Gask
Trustee

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

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

We have audited the financial statements of North Essex Multi-Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
19 December 2016

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

In accordance with the terms of our engagement letter dated 8 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Essex Multi-Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF NORTH ESSEX MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of North Essex Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

19 December 2016

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

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	4	-	307,951	519,040	826,991	1,555,285
Charitable activities	7	465,289	10,741,480	-	11,206,769	11,844,978
Other trading activities	5	695,621	-	-	695,621	615,972
Investments	6	3,090	-	-	3,090	3,665
TOTAL INCOME		<u>1,164,000</u>	<u>11,049,431</u>	<u>519,040</u>	<u>12,732,471</u>	<u>14,019,900</u>
EXPENDITURE ON:						
Charitable activities		<u>1,773,688</u>	<u>11,309,684</u>	<u>1,291,785</u>	<u>14,375,157</u>	<u>15,199,086</u>
TOTAL EXPENDITURE	8	<u>1,773,688</u>	<u>11,309,684</u>	<u>1,291,785</u>	<u>14,375,157</u>	<u>15,199,086</u>
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(609,688)	(260,253)	(772,745)	(1,642,686)	(1,179,186)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(2,762,000)	-	(2,762,000)	129,000
NET MOVEMENT IN FUNDS		<u>(609,688)</u>	<u>(3,022,253)</u>	<u>(772,745)</u>	<u>(4,404,686)</u>	<u>(1,050,186)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>1,597,199</u>	<u>(3,745,794)</u>	<u>18,349,923</u>	<u>16,201,328</u>	<u>17,251,514</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>987,511</u></u>	<u><u>(6,768,047)</u></u>	<u><u>17,577,178</u></u>	<u><u>11,796,642</u></u>	<u><u>16,201,328</u></u>

NORTH ESSEX MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07687474

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		17,415,693		18,338,652
CURRENT ASSETS					
Debtors	14	894,214		241,240	
Cash at bank and in hand		1,078,199		2,359,928	
		<u>1,972,413</u>		<u>2,601,168</u>	
CREDITORS: amounts falling due within one year	15	(738,464)		(960,492)	
		<u></u>	1,233,949	<u></u>	1,640,676
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,649,642</u>	<u>19,979,328</u>	
Defined benefit pension scheme liability	20		(6,853,000)		(3,778,000)
			<u></u>	<u></u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>11,796,642</u>	<u>16,201,328</u>	
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	84,953		32,206	
Restricted fixed asset funds	16	17,577,178		18,349,923	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		17,662,131		18,382,129	
Pension reserve		(6,853,000)		(3,778,000)	
		<u></u>		<u></u>	
Total restricted income funds			10,809,131		14,604,129
Unrestricted income funds	16		987,511		1,597,199
			<u></u>	<u></u>	
TOTAL FUNDS			<u>11,796,642</u>	<u>16,201,328</u>	

The financial statements were approved by the Trustees, and authorised for issue, on 13 December 2016 and are signed on their behalf, by:

Mr D Gask
Chairman

The notes on pages 27 to 45 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(1,284,819)	115,148
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,090	3,665
Capital expenditure		-	(101,697)
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		3,090	(98,032)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(1,281,729)	17,116
Cash and cash equivalents brought forward		2,359,928	2,342,812
		<hr/>	<hr/>
Cash and cash equivalents carried forward		1,078,199	2,359,928
		<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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 of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

North Essex Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of North Essex Multi-Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of North Essex Multi-Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Any reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Company status

1.2

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

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the DfE.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance of the restricted fixed asset fund.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 Trust's accounting policies.

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

1.5 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

Going concern

1.6

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 Incorporating Income and Expenditure Account.

Following a review of the fixed asset policy during the year, Trustees decided to change the policy in accordance with the details below.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	50 years straight line (previously 25 years straight line)
Long term leasehold land	-	50 years straight line (previously 125 years straight line)
Fixtures and fittings	-	10 years straight line (previously 5 years straight line)

1.8 Operating leases

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

1.9 Interest receivable

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

1.10 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 Debtors

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

1.12 Cash at Bank and in hand

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

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

1.14 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.16 Agency Arrangements

The Trust acts as an agent administering the 'Mid-Essex Initial Teacher Training' scheme (MEITT) and the 'Notley Family of Schools' (NFOS). Payments received and subsequent disbursements to students and trainees are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use a proportion of the costs towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

During the year significant attention was given to the excessive volume of Fixed Assets that were Capitalised at Academy conversion and their impact on management workload. The original decision process in terms of the material level of these additions and the ongoing impact in relation to accurate maintenance of accounting records for such a large volume of items at very low original value at cost, was carefully considered. Revision of the Trust Fixed Asset policy together with the decision to write off these insignificant individual items was agreed. Future items will Capitalised if their value is above £10,000. Relevant advice was taken from the funding authority before the decision was implemented.

2. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	384,471	758,930
Auditors' remuneration - audit	12,500	12,250
Auditors' remuneration - other services	5,150	5,150
Operating lease rentals	88,783	212,484
Write off costs	538,488	-
	<u> </u>	<u> </u>

3. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2016.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. OTHER VOLUNTARY INCOME

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	307,951	-	307,951	356,420
Government grants	-	519,040	519,040	1,198,865
	<u>307,951</u>	<u>519,040</u>	<u>826,991</u>	<u>1,555,285</u>

In 2015, of the total income from donations and capital grants, £356,420 was to unrestricted funds and £1,198,865 was to restricted funds

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	172,092	172,092	137,003
Other income	523,529	523,529	478,969
	<u>695,621</u>	<u>695,621</u>	<u>615,972</u>

In 2015, of the total income from other trading activities, £615,972 was to unrestricted funds and £Nil was to restricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	3,090	3,090	3,665
	<u>3,090</u>	<u>3,090</u>	<u>3,665</u>

In 2015, of the total investment income, £3,665 was to unrestricted funds and £ NIL was to restricted funds.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	9,878,915	9,878,915	10,293,652
Other DfE / EFA grants	-	410,746	410,746	746,970
Start Up Grant	-	87,187	87,187	88,000
	<u>-</u>	<u>10,376,848</u>	<u>10,376,848</u>	<u>11,128,622</u>
Other government grants				
Local Authority grants	-	364,632	364,632	352,124
	<u>-</u>	<u>364,632</u>	<u>364,632</u>	<u>352,124</u>
Other funding				
Catering income	465,289	-	465,289	364,232
	<u>465,289</u>	<u>-</u>	<u>465,289</u>	<u>364,232</u>
	<u>465,289</u>	<u>10,741,480</u>	<u>11,206,769</u>	<u>11,844,978</u>

In 2015, of the total income from charitable activities, £364,232 was to unrestricted funds and £11,480,746 was to restricted funds.

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	7,405,747	-	1,357,516	8,763,263	9,030,498
Support costs	2,217,136	1,395,669	1,999,089	5,611,894	6,139,588
	<u>9,622,883</u>	<u>1,395,669</u>	<u>3,356,605</u>	<u>14,375,157</u>	<u>15,170,086</u>

In 2016, of the total expenditure, £1,719,695 (2015 - £649,043) was to unrestricted funds and £10,999,939 (2015 - £14,521,043) was to restricted funds.

Analysis of support costs	2016 £	2015 £
Support staff costs	2,217,136	2,037,523
Depreciation	384,471	758,930
Technology costs	181,291	208,500
Premises costs	1,395,669	2,184,315
Other support costs	1,337,015	844,373
Governance costs	96,312	105,947
Total	<u>5,611,894</u>	<u>6,139,588</u>

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	7,356,524	7,447,690
Social security costs	600,267	528,613
Operating costs of defined benefit pension schemes	1,396,214	1,196,341
	9,353,005	9,172,644
Supply teacher costs	210,347	171,607
Staff restructuring costs	59,531	30,000
	9,622,883	9,374,251

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

	2016	2015
	No.	No.
Teachers	140	145
Administration and support	183	176
Management	16	16
Casual	68	72
	407	409

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

	2016	2015
	No.	No.
In the band £ 60,001 - £ 70,000	3	2
In the band £ 70,001 - £ 80,000	2	1
In the band £100,001 - £110,000	1	1

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £59,531 (2015: £30,000). Individually, the payments were: £28,000, £6,500, £10,131, £8,500 and £6,400.

The key management personnel of the Academy Trust comprise the Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust, as disclosed in the Trustees' Report.

The total amount of employee benefits (including employer pension contributions) received by 4 key management personnel (including 2 Trustees) was £336,346 (2015: 3 people, including 2 Trustees £256,718).

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016 £	2015 £
S Thompson	Remuneration	Nil	£100,000-£110,000
	Pension contributions paid	Nil	£5,000-£10,000
N Vosper	Remuneration	£20,00-£25,000	£50,000-£55,00
	Pension contributions paid	£0-£5,000	Nil
D Conway, Accounting Officer	Remuneration	100,000-105,000	Nil
	Pension contributions paid	£15,000-£20,000	Nil
J Stanley	Remuneration	£45,000-£50,000	Nil
	Pension contributions paid	£5,000-£10,000	Nil
F Dennis	Remuneration	£20,000-£25,000	Nil
	Pension contributions paid	£0-£5,000	Nil
A Hooks	Remuneration	£10,000-£15,000	Nil
	Pension contributions paid	£0-£5,000	Nil
H Ralph	Remuneration	£15,000-£20,000	Nil
	Pension contributions paid	£0-£5,000	Nil
A Williams	Remuneration	£40,000-£45,000	Nil
	Pension contributions paid	£5,000-£10,000	Nil
G Charlton	Remuneration	£5,000-£10,000	Nil
	Pension contributions paid	£0-£5,000	Nil

During the year, expenses totalling £317 were reimbursed to 2 Trustees (2015 - £930). These related to reimbursements for activities undertaken in respect of their services to the Trust as staff members.

11. CENTRAL SERVICES

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

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £63,799 (2015 - £108,343).

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2015	19,956,790	978,486	20,935,276
Disposals	-	(933,138)	(933,138)
	19,956,790	45,348	20,002,138
Depreciation			
At 1 September 2015	2,189,739	406,885	2,596,624
Charge for the year	379,936	4,535	384,471
On disposals	-	(394,650)	(394,650)
	2,569,675	16,770	2,586,445
Net book value			
At 31 August 2016	17,387,115	28,578	17,415,693
At 31 August 2015	17,767,051	571,601	18,338,652

14. DEBTORS

	2016 £	2015 £
Trade debtors	22,099	23,650
VAT	114,730	92,774
Prepayments and accrued income	757,385	124,816
	894,214	241,240
	894,214	241,240

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	98,506	-
Other taxation and social security	172,087	153,682
Other creditors	205,349	568,853
Accruals and deferred income	262,522	237,957
	738,464	960,492
	738,464	960,492
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	95,560	159,998
Resources deferred during the year	60,023	95,560
Amounts released from previous years	(95,560)	(159,998)
	60,023	95,560
	60,023	95,560

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

NORTH ESSEX MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Gains/ (losses) £	Carried forward £
Unrestricted funds					
General funds	1,597,199	1,164,000	(1,773,688)	-	987,511
Restricted funds					
General Annual Grant (GAG)	-	9,933,834	(9,933,834)	-	-
Other DfE/EFA grants	-	645,065	(645,065)	-	-
School trips	32,206	282,951	(237,389)	-	77,768
SEN funding	-	110,383	(110,383)	-	-
Other Government grants	-	52,198	(52,198)	-	-
Startup Grant / Capacity Grant	-	25,000	(17,815)	-	7,185
Pension reserve	(3,778,000)	-	(313,000)	(2,762,000)	(6,853,000)
	(3,745,794)	11,049,431	(11,309,684)	(2,762,000)	(6,768,047)
Restricted fixed asset funds					
Restricted fixed asset funds	18,338,652	-	(922,959)	-	17,415,693
Devolved Formula Capital Fund	-	43,395	(14,719)	-	28,676
ACMF/CIF	11,271	475,645	(354,107)	-	132,809
	18,349,923	519,040	(1,291,785)	-	17,577,178
Total restricted funds	14,604,129	11,568,471	(12,601,469)	(2,762,000)	10,809,131
Total of funds	16,201,328	12,732,471	(14,375,157)	(2,762,000)	11,796,642

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

General Annual Grant (GAG)

The represents funding from the EFA to cover the costs of recurrent expenditure.

Other Government grants

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

School Trips

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

Pension fund

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

Restricted Fixed Asset Funds

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

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

Devolved Formula Capital (DFC) fund

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

ACMF / CIF

Academies Capital Maintenance Funding and Condition Improvement Funding is to be applied to specific capital and maintenance projects.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Notley High School	176,115	511,709
The Ramsey Academy	896,350	1,117,696
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,072,465	1,629,405
Restricted fixed asset fund	17,577,178	18,349,923
Pension reserve	(6,853,000)	(3,778,000)
	<hr/>	<hr/>
Total	<u>11,796,643</u>	<u>16,201,328</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	Total 2015 £
Notley High School	5,477,993	1,522,379	900,596	1,207,294	9,108,262	10,202,041
The Ramsey Academy	2,265,367	584,336	294,369	886,799	4,030,871	4,209,115
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>7,743,360</u>	<u>2,106,715</u>	<u>1,194,965</u>	<u>2,094,093</u>	<u>13,139,133</u>	<u>14,411,156</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	1	-	17,415,692	17,415,693	18,338,652
Current assets	1,725,973	84,953	161,486	1,972,412	2,601,168
Creditors due within one year	(738,463)	-	-	(738,463)	(960,492)
Provisions for liabilities and charges	-	(6,853,000)	-	(6,853,000)	(3,778,000)
	<u>987,511</u>	<u>(6,768,047)</u>	<u>17,577,178</u>	<u>11,796,642</u>	<u>16,201,328</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,642,686)	(1,179,186)
Adjustment for:		
Depreciation charges	384,471	758,930
Interest received	(3,090)	(3,665)
(Increase)/decrease in debtors	(652,974)	242,943
Decrease in creditors	(222,028)	(874)
Pension adjustment	313,000	297,000
Assets written off	538,488	-
Net cash (used in)/provided by operating activities	<u>(1,284,819)</u>	<u>115,148</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,078,199	2,359,928
Total	<u>1,078,199</u>	<u>2,359,928</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £142,102 were payable to the schemes at 31 August 2016 (2015 - £135,131) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £852,252 (2015 - £734,975).

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

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

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FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £405,000 (2015 - £380,000), of which employer's contributions totalled £284,000 (2015 - £268,000) and employees' contributions totalled £121,000 (2015 - £112,000). The agreed contribution rates for future years are 12.4% for employers and between 5.5% and 8.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	1.80 %	2.70 %
Inflation assumption (RPI)	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,199,000	1,558,000
Property	351,000	288,000
Other Bonds & Other Managed funds	286,000	240,000
Alternative Assets	127,000	168,000
Cash	96,000	96,000
Gilts	127,000	48,000
	<hr/>	<hr/>
Total market value of assets	3,186,000	2,398,000
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(544,000)	(503,000)
Net interest cost	(143,000)	(146,000)
	<u> </u>	<u> </u>
Total	(687,000)	(649,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	-	103,000
	<u> </u>	<u> </u>

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

	2016 £	2015 £
Opening defined benefit obligation	6,175,000	5,459,000
Current service cost	544,000	503,000
Interest cost	248,000	227,000
Contributions by employees	121,000	112,000
Actuarial losses/(gains)	2,978,000	(107,000)
Benefits paid	(26,000)	(19,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	10,040,000	6,175,000
	<u> </u>	<u> </u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,397,000	1,849,000
Interest income	105,000	81,000
Actuarial gains and (losses)	216,000	22,000
Contributions by employer	374,000	352,000
Contributions by employees	121,000	112,000
Benefits paid	(26,000)	(19,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	3,187,000	2,397,000
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	52,375	88,783
Between 1 and 5 years	54,739	72,573
Total	<u>107,114</u>	<u>161,356</u>

22. RELATED PARTY TRANSACTIONS

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

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

There were no related party transactions during the year.

23. POST BALANCE SHEET EVENTS

At the year end Ramsey are committed to pay a further £132,808 in relation to repair works for the roof of the tower block.

On 1 September 2016 the Richard De Clare Primary School based in Halstead, Essex joined North Essex Multi-Academy Trust.

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/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a Member.

25. AGENCY ARRANGEMENTS

MEITT - The Trust distributes teacher training funds to trainees as an agent for the partner schools in respect of Initial Teacher Training. In the accounting period ending 31 August 2016 the Trust received £685,433 and accounted for expenditure of £616,591 on behalf of the partnership. Incorporated within this expenditure is £173,909 for administration and indirect salary costs.

NFOS - The Trust manages the income and expenditure for a Best Practice Group of schools known as Notley Family of Schools. In the accounting period ending 31 August 2016 the Trust received £13,122 and accounted for expenditure of £11,122 on behalf of the partnership. An amount of £56,516 is included in deferred income relating to unspent funds at the year end.

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FOR THE YEAR ENDED 31 AUGUST 2016

26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.