

Company Registration No. 11403922 (England and Wales)

ESTEEM MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

ESTEEM MULTI-ACADEMY TRUST

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ESTEEM MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

I Coker
K Dean
C Greenhough
P Hamer
B Hunter

Trustees

K Dean (Chair)
P Brown (resigned 9 April 2019)
D Butler
M Emly (Vice Chair)
C Griffin
C Kennady
G Longley
I Van Arkadie (Chair of Audit and Finance committee)

Key management

- Chief Executive Officer and Accounting Officer	J Scholefield
- Chief Operating Officer (appointed 1 May 2019)	A Lee
- Finance Director (resigned 5 March 2019)	M Young
- Headteacher, Amber Valley and Erewash Support Centre	T England
- Headteacher, Bennerley Fields	A Harrison
- Executive Headteacher, Fountains Federation	S Gilraine
- Headteacher, Holbrook School for Autism (appointed 1 May 2019)	S Bayliss
- Acting Headteacher, Holbrook School for Autism (resigned 30 April 2019)	L Russell
- Headteacher, North East Derbyshire Support Centre	M Morris
- Headteacher, Peak School	J McPherson
- Headteacher, South Derbyshire Support Centre	D O'Donovan
- Headteacher, St Clare's School	M Stratton
- Headteacher, Stanton Vale School (appointed 1 September 2019)	R Mulvey
- Headteacher, Stanton Vale School (interim)	J Kiernan
- Headteacher, Stanton Vale School (resigned 30 April 2019)	R Hancock

Company secretary

A Lee

Company registration number

11403922 (England and Wales)

Principal and registered office

Suite 43
Sherwood Park, Lake View Drive
Annesley
Nottingham
NG15 0DT

ESTEEM MULTI-ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
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Bankers	Lloyds Bank Plc 43 Iron Gate Derby Derbyshire DE1 3FT
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Solicitors	Flint Bishop LLP St Michaels Court St Michaels Lane Derby DE1 3HQ
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ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates ten academies for students aged 2 up to 19 years, serving catchment areas in Derbyshire, Staffordshire and Derby City. Of the ten academies, three joined during the year. The academies are:

- Amber Valley and Erewash Support Centre
- Bennerley Fields School
- The Fountains Primary School
- The Fountains High School
- Holbrook School for Autism
- North East Derbyshire Support Centre
- Peak School
- St Clare's School
- South Derbyshire Support Centre
- Stanton Vale School

The multi-academy trust has a student capacity of 1,055 and had a roll of 1,000 in the school census dated May 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Esteem Multi-Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Esteem Multi-Academy Trust.

Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions. The trust purchases insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions whilst on school business.

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the trust. The cost of this insurance for the period to 31 August 2019 is £41,431. Our provider is Derbyshire Services for Schools (insurance provided by Zurich).

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of trustees

The arrangements set out in the Articles of Association explain how the multi-academy trust may recruit new trustees. They also stipulate how they may be nominated and appointed to the board.

The trust currently has 7 trustees. The trust is required to have a minimum of 3 trustees and is not subject to a maximum number. The members may appoint by ordinary resolution up to 5 trustees. The total number of trustees employed by Esteem Multi-Academy Trust must not exceed one third of the total number of trustees. The board of trustees may appoint (co-opt) further trustees as it sees fit.

All trustees are appointed for 4 years and may be re-elected or re-appointed at an Annual General Meeting. The board of trustees seek to maintain a range of appropriate skills and carries out a skills audit from time to time.

Provision is also made for at least two parent governors to sit on each established local governing board pursuant to Article 101A. Parent governors are elected or appointed to ensure the correct skills balance across the local governing board and candidates must be parents at the time of their election.

Policies and procedures adopted for the induction and training of trustees

The trust is committed to providing opportunities for trustees to undertake and receive suitable training to enable them to perform their role effectively. All trustees are provided with policies, procedures, minutes, budget plans and other documents, which they need to fulfil their role. Any induction required is tailored specifically to the needs of the individual. External training providers may be commissioned to meet training needs as they arise. A trustee skills audit is undertaken on an annual basis and any skills gap or development needs are addressed.

Organisational structure

The trust's Articles of Association and its Funding Agreement with the Secretary of State for Education are published on the trust's website. Esteem Multi-Academy Trust's governance structure consists of three levels:

- Members
- Trustees
- Academy local governing boards

The members have overall responsibility and ultimate decision-making authority for the trust including the establishment and running of the academies. They have ultimate control of the trust, with the ability to appoint trustees and amend the Articles of Association. They ensure systems are in place to be kept informed about how the Trust Board is performing.

The Trust Board is responsible for the governance of the trust and meets a minimum of four times per annum. It is responsible for ensuring clarity of vision, ethos and setting strategic direction. It holds the multi-academy trust leadership to account for the educational performance of the academies. The Trust Board reviews key policies, sets the admissions criteria and oversees the financial management of the multi-academy trust, approving the annual budget and the Scheme of Delegation, ensuring appropriate internal controls and audit checks are in place to ensure the multi-academy trust's money is well spent and oversees the management of risk.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust Board has established the following sub-committees to which it may delegate powers: Finance and Audit, Standards and Achievement, Pay, Communications and Performance Management. The sub-committees normally expect to meet three times per annum, except for the Pay, Communication and Performance Management committees, which meet on an ad-hoc basis.

The Trust Board delegates key functions to local governing boards regarding academy governance in many areas such as: the academy budget, staffing and the curriculum. However, the Trust Board retains overall accountability for these functions. The chair of trustees also leads a cross-MAT chairs group, which is a forum attended by the chairs of the local governing boards and representatives from the Trust Board. The group meet each term to focus on governance matters affecting local governing boards, to promote cohesive working practises across the organisation and improve communications between the local governing boards and the Trust Board.

The post of governance officer within the central team provides the capacity to focus upon MAT-wide governance matters. The governance officer is also the clerk to trustees. This role provides a key link with the clerks and chairs attending the chairs group meetings and supporting the local governing boards.

The Chief Executive Officer is accountable to the Trust Board and is the Accounting Officer. The multi-academy trust employs a Chief Operating Officer who acts as CFO and company secretary. The Executive Team consists of the headteachers from each individual academy. They all work with the Chief Executive Officer to lead the operational management of the multi-academy trust. The Chief Executive Officer, Executive Team and Chief Operating Officer may advise and make recommendations to the Trust Board.

As detailed in the Trust's Scheme of Delegation the key decisions and functions reserved for the Trust Board include the following:

- Approving the formal budget plan each financial year
- Agreeing the annual levy for central services
- Ensuring all academies receive their funding (although the Local Authority is responsible for the allocation of High Level Needs Funding)
- Management of selection process and appointment of Chief Executive Officer and academy headteachers
- The dismissal and/or suspension of members of the executive team
- To formulate the trust's Performance Management Policy
- To carry out the appraisal of the Chief Executive Officer and appoint the panels to carry out the appraisals of headteachers

Other functions and decisions are delegated to the Executive Team, local governing boards and headteachers. For example, the headteachers are responsible for carrying out the appraisals of teachers and appointing non-teaching staff and the local governing boards are responsible for appointing other teachers, making pay decisions in accordance with policy, preparing and proposing an academy budget and establishing an Academy Charging and Remissions Policy in line with multi-academy trust aims.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

CEO pay and remuneration: reflecting those of School Teachers Pay and Conditions document. Set initially by assessment of current highest paid Headteacher in the trust and benchmarking across similar size multi-academy trusts. To be reviewed annually by Trustees in line with Trust performance management policy. Access to Teachers Pensions.

Other senior staff pay and remuneration: Set initially via benchmarking with other similar sized multi-academy trusts and taking advice from recruitment consultants. Also taking into account other salary levels within the trust and relative responsibilities. To be reviewed annually in line with Trust performance management policy. Subject to cost of living pay increase equivalent to NJC staff. Access to Local Government Pension Scheme.

Trade union facility time

Esteem Multi-Academy Trust currently buys into the Facilities Time agreements set by Derbyshire and Staffordshire County Councils. This means that, although no multi-academy trust staff currently perform official trade union duties under the agreement, the multi-academy trust is covered appropriately and benefits from the local authority arrangements.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.62

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	670
Total pay bill	9,131,199
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

The multi-academy trust is currently made up of 10 academies. Some of the academies have forged close links to other special schools. All academies work closely with other support agencies to achieve the best outcomes for the children and young people and assist with the multi-academy trust's objectives. These include The National Autistic Society; Dyslexia Association of Staffordshire; Youngsibs; British Dyslexia Association; Derbyshire Information, Advice and Support Service (DIASS) for Special Educational Needs and Disabilities.

All academies are part of a soft federation of 12 participating schools sharing experience and knowledge through collaboration and support. This does not affect the way the local governing boards operate nor the way the multi-academy trust is governed but provides an opportunity to work with other similar schools and/or academies with a common goal to raise standards and promote best practise.

The Fountains Primary School is federated with The Fountains High School and has one local governing board.

Objectives and activities

Objects and aims

Esteem Multi-Academy Trust will provide high quality education for its students. All academies within the trust share the values of collaboration and focusing on the needs of the whole child. We aim to provide a wide range of learning opportunities that are tailored to meeting the individual needs of our students, so that they can achieve the best outcomes.

The purpose and aim of Esteem Multi-Academy Trust is to enable students with special educational needs and/or disabilities to achieve their potential by providing a broad and balanced educational curriculum which meets each student's needs. We know that many of our students have a range of associated health and/or care and/or emotional, behaviour and mental health needs, which also must be addressed for them to learn effectively. Therefore, the Trust aims to provide a coherent and all-embracing curriculum and care provision to meet these needs.

Objectives, strategies and activities

Esteem Multi-Academy Trust is now entering its second year of operation. Consequently, the focus will be to embed, as well as continue to develop, consistent standards and processes across the Trust, while recognising the unique characteristics of each academy that are defined by the different learning needs of the students. Therefore, the main objectives for 2019-20 are:

- Ensure that high educational standards are maintained across all the academies in the Trust, so that all students make good and better progress and outcomes and that all academies in the Trust remain good or outstanding.
- Improve financial sustainability for the multi-academy trust and each academy within it.
- Establish a structured improvement and business planning process for the Trust.
- Establish monitoring and report systems for the Trust and academy performance management enabling benchmarking of performance so that progress can be compared across the Trust.
- Provide staff development to extend leadership capacity, retain the best staff, ensure they are well trained and have the skills and resources to teach students effectively.
- Establish a Trust-wide workforce strategy - including: recruitment and retention, harmonisation, staff health and welfare and staff development.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategies:

- Establishment of a school improvement lead position to develop the Trust approach to improving educational standards and supporting senior leaders across the Trust.
- Improve financial management capacity in the central team.
- Procure and provide more Trust-wide services, providing better value for money and cutting down administrative burden on academies.
- Establish and market the Trust early help service and plan to deliver therapy and care services on a Trust-wide basis.
- Develop and market the autism outreach service.
- Procure and implement an online performance management system.
- Audit staff CPD across the multi-academy trust, develop a Trust-wide staff CPD policy and identify training priorities for 2019 onwards.

Public benefit

The Trust provides educational services for all the students that are placed within its academies.

The trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic report

Achievements and performance

In 2018-19 a further three academies joined the Trust.

One of these academies has an Ofsted category of 'Requires Improvement,' with a 'Good' judgement for behaviour and welfare. Consequently, the trust will provide a supported improvement programme to assist the school's progress.

All other academies are currently graded as 'good' or 'outstanding' based on their most recent Ofsted inspection outcomes. Bennerley Fields School and St Clare's School are the academies with an outstanding Ofsted grade, although Fountains High School was recently judged good with outstanding features, which means it will be re-inspected within two years. All academies within the multi-academy trust are converter academies.

The Trust Board's standards and achievement committee and the Executive Team has set up a school improvement sub-group to develop a MAT-wide school improvement offer. From 1 September 2019 a school improvement lead post will be working with the Chief Executive Officer to implement the school improvement offer and monitor and manage overall trust educational performance. Outcomes will be reported by the Chief Executive Officer to the Trust Board.

As there are no nationally-agreed standards for students who are achieving well-below national expectations, each academy in the multi-academy trust is responsible for determining how progress and attainment is measured based on students' starting points. The processes used for doing this are quality assured by the multi-academy trust. Criteria are currently being drawn up, which will allow the performance of each academy to be benchmarked.

Overall trust reserves have increased in 2018/19.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Two permanent headteacher appointments have been made to trust academies, increasing the skills and experience of the executive team.

An appropriately skilled and resourced central team has been established, strengthening business and financial management capacity.

Two successful CIF bids have resulted in approximately £700k of capital improvement works to the trust estate.

Key performance indicators

Key performance indicators are being developed this year as part of the trust's approach to business planning and performance management. However, here is some information on Ofsted grades and student numbers relating to those academies within the Trust:

Academy	Most recent Ofsted outcome	Agreed student numbers 2019-20 (as at 1st September 2019)	Projected student numbers 2020-21 (still to be confirmed)
Amber Valley & Erewash Support Centre	Good	156	156
Bennerley Fields School	Outstanding	88	88
Fountains High School	Good	175	175
Fountains Primary School	Good	130	130
Holbrook School for Autism	Good	120	120
Peak School	Good	55	55
South Derbyshire Support Centre	Good	16	16
Stanton Vale School	Good	85	85
North East Derbyshire Support Centre	Requires Improvement	100	100
St Clare's School	Outstanding	130	130
Total student numbers		1055	1055

Going concern

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

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

At September 2018, there were seven academies in the Trust. Amber Valley & Erewash Support Centre joined on 1 December 2018; the addition of North East Derbyshire Support Centre and St Clare's School on 1 August 2019 took the total to 10 academies within the Trust at the end of the financial year.

There are 2 main sources of income for the multi-academy trust:

- Department of Education (DfE) in the form of recurrent grants
- Local Authority SEND grants

The use of these grants is restricted to particular purposes. The grants received from the DfE and Local Authorities during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), any capital grants and donations of fixed assets are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets, as defined in the accounting policies.

The surplus of income over expenditure for the year (excluding restricted fixed asset funds) was £1,283,829. These figures also exclude the deficit on the Local Government Pension Scheme (see note 19 to the accounts).

Total reserves at 31 August 2019, excluding the restricted fixed asset fund and pension reserve, totalled £2,807,276. At 31 August 2019 the net book value of fixed assets was £34,289,354 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the multi-academy trust.

Reserves policy

The Reserves Policy identifies that the MAT will:

- maintain the aggregate of individual academy reserves, amounting to a minimum of 5% of all annual income; maintain an additional central contingency of £500,000 in order to fund any short term / emergency resource needs;
- review the opportunities and risks at a MAT level in order to assess the required level of resources needed to meet anticipated and unanticipated needs in the short and long term;
- require a business case from academies which maintain a reserves level in excess of 10% of all annual income for a period of 24 months or more.

The trust is holding reserves at 31 August 2019 of £24,494,630. This comprises:

- Restricted Funds of (£10,201,060)
- Restricted Fixed Asset Funds of £34,289,354
- Unrestricted Funds of £406,336

Restricted Funds comprises:

- £2,400,940 general funds to support the trust's budget in 2019-20.
- £12,602,000 in relation to the deficit on the local government pension scheme.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Investment policy

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return, the trust policy is geared towards avoiding risk rather than to maximise return. The trust's current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

Principal risks and uncertainties

The Trust Board review a register of principal risks at each meeting and receive a report from officers on how the risks are being alleviated. The principal risks are listed in the table below:

Human Resource	Reliance on key staff
Finance	<p>Risk of reduced Special and PRU place funding in future years.</p> <p>Volatile LA Top-Up funding stream with potential for large reductions during the year.</p> <p>Increasing costs in real terms.</p> <p>Majority of Trust Estate made up of old, not built for purpose, inefficient buildings and lack of detailed information on sites and buildings transferred from LAs on conversion - risk of deterioration, failure of building systems, health and safety compliance, rising energy.</p> <p>Harmonisation of terms and conditions of service inherited from three authorities, whilst maintaining positive employee relations and morale, increases Trust staffing costs.</p>

Fundraising

The trust did not participate in funding raising activities in the period.

Plans for future periods

- Establishment of a school improvement lead position to develop the trust approach to improving educational standards and supporting senior leaders across the trust.
- Improve financial management capacity in the central team
- Procure and provide more trust wide services, providing better value for money and cutting down administrative burden on academies
- Establish and market the trust early help service and plan to deliver therapy and care services on a trust wide basis.
- Develop and market the autism outreach service
- Procure and implement an on-line performance management system.
- Audit staff CPD across the multi-academy trust, develop a trust-wide staff CPD policy and identify training priorities for 2019 onwards.

Funds held as custodian trustee on behalf of others

The academy trust does not currently hold any funds on behalf of others.

ESTEEM MULTI-ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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.

UHY Hacker Young was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 04 December 2019 and signed on its behalf by:

K Dean
Chair

J Scholefield
Accounting Officer

ESTEEM MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Esteem Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
K Dean (Chair)	7	7
P Brown (Resigned 9 April 2019)	4	5
D Butler	6	7
M Emly (Vice Chair)	3	7
C Griffin	3	7
C Kennady	7	7
G Longley	3	7
I Van Arkadie (Chair of the Audit and Finance committee)	5	7

Paul Brown resigned from being a trustee on 9 April 2019. I Van Arkadie was elected to Chair the Audit and Finance committee in September 2019.

A review of governance has been conducted in line with guidance and expectations of the Department for Education and the Regional Schools Commissioner. This included formal review and sign off by the Trust Board of the Trust's Financial Management and Governance Self-Assessment (FMGS) and consideration of findings and subsequent action planning following the ESFA visiting the central offices requiring some of our academies to conduct an audit of our FMGS on 27 and 28 February 2019.

ESTEEM MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust Board also considered the frequency of the Audit and Finance Committee meetings mid-way through the year and acknowledged that, as the Trust Board had planned to meet more frequently in our first year of operating as a multi-academy trust, it was reasonable to embed the finance and audit agenda items within the full board meetings for 2 out of the 3 scheduled Audit and Finance Committee meetings. This ensured the trustees duties and responsibilities were discharged, that budget reports, monthly accounts and audit findings were scrutinised and formally considered whilst making optimum use of trustees skills and time. It was also agreed when developing the yearly meetings planner for 2019/2020 that the Audit and Finance Committee review their terms of reference in September 2019 and would meet regularly as a committee, formally reporting and escalating any decision making, outside of their delegated authority, through to the Trust Board. This was due to future planning of trustee meetings and the knowledge that there would be less Trust Board meetings scheduled in 2019/2020 and the need for increased committee meetings.

Effectiveness of governance has also been considered at the Chairs Group meetings leading to improvements in the way cross-policies and guidance is communicated and adopted at a local level and the introduction of a shared clerk to governors' role for 3 of our academies. There continues to be regular agenda items and activities at this forum with a focus upon effective governance and cross-MAT governance ways of working. The introduction of a trust and governing board code of conduct, in line with guidance from the National Governance Association, and shared guidance on trustee/governor skills analysis has also had a positive impact ensuring a consistent approach and promotes best practice.

The Trust Board considers the effectiveness of governance at all levels within the organisation including reviewing any financial risks on frequent basis and acting when required. For example during the year the Trust Board took the decision to remove some of the delegated powers from one of the local governing boards within the Trust on a temporary basis with formal review periods. This was to ensure that a financial risk was managed, and financial decision making was trustee / senior team lead for a period of time.

The data used by the Trust Board is prepared in line with model governance reporting guidelines and suggested formats. Any submissions to the Trust Board (e.g. policies, financial reports, report from chief executive officer) are presented in a timely and formal manner and meetings are convened, conducted and minutes taken in accordance with the clerking requirements in the Articles of Association. The chair initiates a review of the effectiveness of each Trust Board meeting and there is frequent consideration of the effectiveness and impact of decision making.

A governance review will be conducted on an annual basis and the next review will be held during the Spring Term 2020.

ESTEEM MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Audit and Finance Committee is a sub-committee of the main Trust Board. Its purpose is to advise the Trust Board on matters relating to the multi-academy trust's finance and audit arrangements, systems of internal control and to advise and aid the Trust Board's responsibility to ensure sound management of the finances and resources, including proper planning, monitoring and probity. Main duties include;

- Fulfil its responsibilities as set out in the Terms of Reference in line with the Academies Financial Handbook, the multi-academy trust's Financial Regulations and in compliance with the Funding Agreement with the Secretary of State of Education.
- Demonstrate to the public that the pay of senior staff is set by a committee, which has no personal interest in the outcome of its decision and that gives due regard to the interests of the public and of the financial health of the multi-academy trust
- Advise the Trust Board and accounting officer on the adequacy and effectiveness of the multi-academy trust's governance, risk management, internal control and value for money systems and frameworks (Annual Report).
- Advise the Trust Board on the need for and then, where appropriate, the appointment, reappointment, dismissal and remuneration of an internal auditor or other assurance provider.

The members and attendees of the Audit and Finance Committee are as follows:

Trustees	Invitees
K Dean	CEO – J Scholefield
D Butler	COO – A Lee
C Kennady	
G Longley	
I Van Arkadie	
P Brown (resigned 9 April 2019)	

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
K Dean (Chair)	1	1
P Brown (Resigned 9 April 2019)	1	1
D Butler	0	1
C Kennady	1	1
G Longley	0	1
I Van Arkadie (Chair of the Audit and Finance committee)	1	1

Review of value for money

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

ESTEEM MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

- Ensuring that each academy has a savings plan in place to ensure that there is an in-year positive balance.
- Successful delivery of organisational changes ensuring provision of central services in finance; HR; premises; and early help in order to reduce costs and increase efficiency for individual academies in these areas.
- Introduction of Autism Outreach Team which sits within the central team providing cross-MAT specialist advice and guidance and developing our outward facing offer to other organisations.
- Centralised purchasing and cross-MAT provision of The Key for School Leaders and Governors online tool and compliance tracker; implementation of Entrust for statutory compliance of buildings; provision of GDPR and legal services together with audit and accountancy at a discounted multi-academy trust rate, all as part of the central offer.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Esteem Multi-Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust Board has reviewed the key risks to which the multi-academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the multi-academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Trust Board.

The risk and control framework

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

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

ESTEEM MULTI-ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust Board has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young, a firm of auditors, to undertake external audit, internal audit and accounting services to the multi-academy trust.

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

- testing of payroll systems.
- testing of purchase systems.
- testing of petty cash systems.
- testing of banking systems.
- testing of income systems.

In 2019, on a bi-annual basis, the auditor reported to the board of trustees through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Trust Board.

The internal auditor delivered their scheduled work as planned and did not identify any material control issues during either of their visits.

Review of effectiveness

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

- the work of the internal auditor.
- the work of the external auditor.
- the work of the executive managers within the multi-academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 04 December 2019 and signed on its behalf by:

K Dean
Chair

J Scholefield
Accounting Officer

ESTEEM MULTI-ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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

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

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

J Scholefield
Accounting Officer

04 December 2019

ESTEEM MULTI-ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Esteem Multi-Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 04 December 2019 and signed on its behalf by:

K Dean
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTEEM MULTI-ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Esteem Multi-Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTEEM MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTEEM MULTI-ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Elizabeth Searby (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

4 December 2019

Chartered Accountants
Statutory Auditor

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO ESTEEM MULTI-ACADEMY TRUST AND THE EDUCATION &
SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2019**

In accordance with the terms of our engagement letter dated 15 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Esteem Multi-Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Esteem Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Esteem Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 July 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2019

The work to be undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review of enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

Conclusion

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

Reporting Accountant

UHY Hacker Young

Dated: 04 December 2019

ESTEEM MULTI-ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	87,023	829,829	916,852	-
Donations - transfer from local authority on conversion	24	406,336	(850,000)	6,693,570	6,249,906	23,371,790
Charitable activities:						
- Funding for educational operations	4	-	18,222,299	-	18,222,299	1,407,957
Other trading activities	5	-	443,518	-	443,518	311
Total		406,336	17,902,840	7,523,399	25,832,575	24,780,058
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	18,994,347	494,849	19,489,196	1,414,807
Total	6	-	18,994,347	494,849	19,489,196	1,414,807
Net income/(expenditure)		406,336	(1,091,507)	7,028,550	6,343,379	23,365,251
Transfers between funds	17	-	(137,620)	137,620	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(5,366,000)	-	(5,366,000)	152,000
Net movement in funds		406,336	(6,595,127)	7,166,170	977,379	23,517,251
Reconciliation of funds						
Total funds brought forward		-	(3,605,933)	27,123,184	23,517,251	-
Total funds carried forward		406,336	(10,201,060)	34,289,354	24,494,630	23,517,251

ESTEEM MULTI-ACADEMY TRUST

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

Comparative information ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations - transfer from local authority on conversion	24	-	(3,748,800)	27,120,590	23,371,790
Charitable activities:					
- Funding for educational operations	4	-	1,407,957	-	1,407,957
Other trading activities	5	-	311	-	311
Total		-	(2,340,532)	27,120,590	24,780,058
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	1,410,757	4,050	1,414,807
Total	6	-	1,410,757	4,050	1,414,807
Net income/(expenditure)		-	(3,751,289)	27,116,540	23,365,251
Transfers between funds	17	-	(6,644)	6,644	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	152,000	-	152,000
Net movement in funds		-	(3,605,933)	27,123,184	23,517,251
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		-	(3,605,933)	27,123,184	23,517,251

ESTEEM MULTI-ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	12	34,289,354	27,123,184
Current assets			
Stocks	13	23,908	43,011
Debtors	14	1,291,208	1,883,824
Cash at bank and in hand		2,935,475	928,600
		4,250,591	2,855,435
Current liabilities			
Creditors: amounts falling due within one year	15	(1,443,315)	(1,194,368)
Net current assets		2,807,276	1,661,067
Net assets excluding pension liability		37,096,630	28,784,251
Defined benefit pension scheme liability	19	(12,602,000)	(5,267,000)
Net assets		24,494,630	23,517,251
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		34,289,354	27,123,184
- Restricted income funds		2,400,940	1,661,067
- Pension reserve		(12,602,000)	(5,267,000)
Total restricted funds		24,088,294	23,517,251
Unrestricted income funds	17	406,336	-
Total funds		24,494,630	23,517,251

ESTEEM MULTI-ACADEMY TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2019

The accounts on pages 25 to 59 were approved by the trustees and authorised for issue on 04 December 2019 and are signed on their behalf by:

K Dean
Chair

Company Number 11403922

ESTEEM MULTI-ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20	1,758,981		(657,956)	
Cash funds transferred on conversion		397,512		1,593,200	
		2,156,493		935,244	
Cash flows from investing activities					
Capital grants from DfE Group		829,829		-	
Purchase of tangible fixed assets		(979,447)		(6,644)	
Net cash used in investing activities			(149,618)		(6,644)
Net increase in cash and cash equivalents in the reporting period					
		2,006,875		928,600	
Cash and cash equivalents at beginning of the year		928,600		-	
Cash and cash equivalents at end of the year		2,935,475		928,600	

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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

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

The accounts have been prepared for the 12 months to 31 August 2019, whilst the comparative is a short period for 1 month to 31 August 2018.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Derbyshire County Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

1.4 Income

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and Capital Grant income to the net assets received.

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

Freehold Land and buildings	50 years straight line
Long Leasehold Land and buildings	50 years straight line
Computer equipment	3 to 5 years straight line
Fixtures, fittings & equipment	5 to 10 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

The Long Leasehold Land and Buildings were transferred at their valuation as at 1 December 2018 and 1 August 2019 respectively (on the basis of depreciated replacement cost). No depreciation has been provided for those assets transferred in the month of August 2019.

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 Stock

Stock is valued at the lower of cost and net realisable value.

1.11 Taxation

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

1.12 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-2019 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by £195,000 which has reflected as a past service cost, within staff costs. There will also be an increase in the cost of benefits from 1 September 2019.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 19. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	829,829	829,829	-
Other donations	-	87,023	87,023	-
	<u>-</u>	<u>916,852</u>	<u>916,852</u>	<u>-</u>

Donations and capital grants in year ended 31 August 2018 totalled £nil.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,812,393	7,812,393	506,005
Start up grants	-	95,000	95,000	175,000
Other DfE group grants	-	821,596	821,596	39,136
	-	8,728,989	8,728,989	720,141
Other government grants				
Local authority grants	-	9,493,310	9,493,310	687,804
Other funding				
Other incoming resources	-	-	-	12
Total funding	-	18,222,299	18,222,299	1,407,957

Funding for academy trust's educational operations in year ended 31 August 2018 totalled £1,407,957 of which £nil was unrestricted and £1,407,957 was restricted.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	-	70,176	70,176	-
Other income	-	373,342	373,342	311
	-	443,518	443,518	311

The income from other trading activities in year ended 31 August 2018 was £311, of which £nil was unrestricted and £311 was restricted.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure

	Staff costs	Non Pay Expenditure Premises	Other	Total 2019	Total 2018
	£	£	£	£	£
Academy's educational operations					
- Direct costs	12,649,070	-	884,685	13,533,755	951,074
- Allocated support costs	3,438,151	1,208,881	1,308,409	5,955,441	463,733
	<u>16,087,221</u>	<u>1,208,881</u>	<u>2,193,094</u>	<u>19,489,196</u>	<u>1,414,807</u>

Net income/(expenditure) for the period includes:

	2019 £	2018 £
Fees payable to auditor for audit services	21,000	3,000
Operating lease rentals	28,685	5,476
Depreciation of tangible fixed assets	494,849	4,050
Net interest on defined benefit pension liability	166,000	13,000
	<u></u>	<u></u>

7 Charitable activities

	2019 £	2018 £
All from restricted funds:		
Direct costs		
Educational operations	13,533,755	951,074
Support costs		
Educational operations	5,955,441	463,733
	<u>19,489,196</u>	<u>1,414,807</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	3,438,151	217,354
Depreciation	494,849	4,050
Technology costs	47,924	15,232
Premises costs	714,032	34,530
Other support costs	1,025,640	42,964
Governance costs	234,845	149,603
	<u>5,955,441</u>	<u>463,733</u>

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	11,900,207	851,693
Social security costs	918,627	67,545
Pension costs	3,007,977	223,657
Amounts paid to employees	15,826,811	1,142,895
Agency staff costs	170,254	14,146
Staff restructuring costs	9,878	-
Amounts paid to staff	16,006,943	1,157,041
Staff development and other staff costs	80,278	10,056
Total staff expenditure	16,087,221	1,167,097

Staff restructuring costs comprise:

Severance payments	9,878	-
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,878 (2018: £nil).

Staff numbers

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

	2019 Number	2018 Number
Teachers	464	419
Administration and support	93	62
Management	8	8
	565	489

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£90,001 - £100,000	1	-
£80,001 - £90,000	1	-
£70,001 - £80,000	2	-
£60,001 - £70,000	3	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer National Insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £777,317 (2018: £60,512).

9 Central services

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

- human resources;
- financial services;
- payroll services;
- school improvement services; and
- governance.

The academy trust charges for these services are based on a percentage of income between 3 - 4%.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Central services

(Continued)

The amounts charged during the year were as follows:

	2019	2018
	£	£
Esteem Multi-Academy Trust	-	-
Bennerley Fields School	76,332	6,411
Holbrook School for Autism	161,160	13,259
South Derbyshire Support Centre	20,140	1,914
Peak School	54,432	4,381
Stanton Vale School	65,880	4,815
The Fountains High School	102,600	7,842
The Fountains Primary School	79,068	5,884
Amber Valley and Erewash Support Centre	78,111	-
North East Derbyshire Support Centre	5,323	-
St Clare's School	7,362	-
	<u>650,408</u>	<u>44,506</u>

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. Staff trustees only receive remuneration in respect of services they provide undertaking the role of staff member under their contract of employment, and not in respect of their services as trustees.

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

I Van Arkadie (Staff trustee):

Remuneration £40,000 - £45,000 (2018: £0 - £5,000)

Employers' pension contributions paid £5,000 - £10,000 (2018: £0 - £5,000)

During the year, no payments were reimbursed or paid directly to trustees (2018: No payments were reimbursed or paid directly to trustees).

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the year ended 31 August 2019 cannot be separately determined (2018: £14). The cost of this insurance is included in the total insurance cost.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Freehold Land and buildings	Long Leasehold Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	6,845,000	20,225,000	54,469	2,765	27,127,234
Transfer on conversion	-	6,520,756	128,588	44,226	6,693,570
Additions	610,530	323,983	38,854	6,080	979,447
At 31 August 2019	7,455,530	27,069,739	221,911	53,071	34,800,251
Depreciation					
At 1 September 2018	-	-	3,709	341	4,050
Charge for the year	107,400	349,256	34,620	3,571	494,847
Impairment	-	-	-	12,000	12,000
At 31 August 2019	107,400	349,256	38,329	15,912	510,897
Net book value					
At 31 August 2019	7,348,130	26,720,483	183,582	37,159	34,289,354
At 31 August 2018	6,845,000	20,225,000	50,760	2,424	27,123,184

Included in land and buildings is land at valuation of £9,641,120 (2018: £6,405,000), which is not depreciated.

The property classified as freehold land and buildings relates to The Fountains High School and The Fountains Primary School.

The properties held under 125-year lease arrangements relate to Amber Valley and Erewash Support Centre, Bennerley Fields School, Holbrook School for Autism, North East Derbyshire Support Centre, Peak School, South Derbyshire Support Centre, St Clare's School and Stanton Vale School. However, a portion of the sites relating to Amber Valley and Erewash Support Centre and North East Derbyshire Support Centre are held under different lease arrangements.

Part of the sites held by Amber Valley and Erewash Support Centre are held under a 30-year lease arrangement and part of the sites held by North East Derbyshire Support Centre are held under a 13-year lease arrangement.

Leasehold land and buildings additions and freehold land and buildings additions relate to significant refurbishments and improvements to properties. There are no additions of land.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Stocks	2019	2018
	£	£
Stock	23,908	43,011
14 Debtors	2019	2018
	£	£
Trade debtors	220,049	565,784
Other debtors	162,811	17,586
Prepayments and accrued income	908,348	1,300,454
	1,291,208	1,883,824
15 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	224,480	18,468
Other taxation and social security	272,690	206,511
Other creditors	282,706	428,680
Accruals and deferred income	663,439	540,709
	1,443,315	1,194,368
16 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	47,624	372,352
Deferred income at 1 September 2018	372,352	-
Released from previous years	(372,352)	-
Resources deferred in the year	47,624	372,352
Deferred income at 31 August 2019	47,624	372,352

At the balance sheet date, the academy trust was holding funds of £47,624 (2018: £373,352) received in advance for educational funding and pay awards relating to the upcoming financial year (2018: educational funding relating to the upcoming financial year).

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	67,544	7,812,393	(7,001,090)	(71,430)	807,417
Start up grants	-	95,000	(95,000)	-	-
Other DfE / ESFA grants	-	821,596	(821,596)	-	-
Other government grants	-	9,493,310	(9,493,310)	-	-
Other restricted funds	1,593,523	530,541	(464,351)	(66,190)	1,593,523
Pension reserve	(5,267,000)	(850,000)	(1,119,000)	(5,366,000)	(12,602,000)
	<u>(3,605,933)</u>	<u>17,902,840</u>	<u>(18,994,347)</u>	<u>(5,503,620)</u>	<u>(10,201,060)</u>
Restricted fixed asset funds					
Transfer on conversion	27,116,540	6,693,570	(478,734)	-	33,331,376
DfE group capital grants	6,644	829,829	(16,115)	137,620	957,978
	<u>27,123,184</u>	<u>7,523,399</u>	<u>(494,849)</u>	<u>137,620</u>	<u>34,289,354</u>
Total restricted funds	<u>23,517,251</u>	<u>25,426,239</u>	<u>(19,489,196)</u>	<u>(5,366,000)</u>	<u>24,088,294</u>
Unrestricted funds					
General funds	-	406,336	-	-	406,336
Total funds	<u>23,517,251</u>	<u>25,832,575</u>	<u>(19,489,196)</u>	<u>(5,366,000)</u>	<u>24,494,630</u>

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency / Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency / Department for Education.

The pension reserve held within restricted funds was in deficit by £12,602,000 at 31 August 2019. This does not mean that an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

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

Last year, balances inherited on conversion were allocated to restricted funds. In the current year, balances inherited on conversion have been allocated to unrestricted funds as no terms or conditions were attached to their receipt.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

	Balance at 7 June 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	506,005	(431,817)	(6,644)	67,544
Start up grants	-	175,000	(175,000)	-	-
Other DfE / ESFA grants	-	39,136	(39,136)	-	-
Other government grants	-	687,804	(687,804)	-	-
Other restricted funds	-	1,593,523	-	-	1,593,523
Pension reserve	-	(5,342,000)	(77,000)	152,000	(5,267,000)
	-	(2,340,532)	(1,410,757)	145,356	(3,605,933)
Restricted fixed asset funds					
Transfer on conversion	-	27,120,590	(4,050)	-	27,116,540
DfE group capital grants	-	-	-	6,644	6,644
	-	27,120,590	(4,050)	6,644	27,123,184
Total restricted funds	-	24,780,058	(1,414,807)	152,000	23,517,251
Unrestricted funds					
Total funds	-	24,780,058	(1,414,807)	152,000	23,517,251

ESTEEM MULTI-ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****17 Funds****(Continued)****Total funds analysis by academy**

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Esteem Multi-Academy Trust	18,655	(51,335)
Bennerley Fields School	412,218	312,085
Holbrook School for Autism	542,957	404,138
South Derbyshire Support Centre	363,960	372,500
Peak School	51,106	(6,931)
Stanton Vale School	(41,348)	122,244
The Fountains High School	515,424	338,204
The Fountains Primary School	358,936	170,162
Amber Valley and Erewash Support Centre	52,619	
North East Derbyshire Support Centre	249,294	
St Clare's School	283,455	
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	2,807,276	1,661,067
Restricted fixed asset fund	34,289,354	27,123,184
Pension reserve	(12,602,000)	(5,267,000)
	<hr/>	<hr/>
Total funds	24,494,630	23,517,251
	<hr/>	<hr/>

Stanton Vale School has a deficit reserve position of £41,348. The issues which created this deficit were rectified at the start of the new academic year and the deficit will be resolved in the 2019/20 financial year.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Esteem Multi-Academy Trust	29,697	1,335,604	7,339	410,407	1,783,047
Bennerley Fields School	1,406,896	219,571	30,246	338,729	1,995,442
Holbrook School for Autism	2,811,465	632,646	57,414	506,539	4,008,064
South Derbyshire Support Centre	323,649	109,721	45,624	139,829	618,823
Peak School	1,511,074	171,417	16,563	205,461	1,904,515
Stanton Vale School	1,713,338	344,076	40,671	319,115	2,417,200
The Fountains High School	2,211,745	273,351	58,889	292,809	2,836,794
The Fountains Primary School	1,664,507	207,777	48,992	258,863	2,180,139
Amber Valley and Erewash Support Centre	779,281	125,695	469,255	267,328	1,641,559
North East Derbyshire Support Centre	81,264	6,059	-	23,851	111,174
St Clare's School	116,154	12,234	-	19,612	148,000
	12,649,070	3,438,151	774,993	2,782,543	19,644,757

The LGPS pension costs in relation to Esteem Multi-Academy Trust, Amber Valley and Erewash Support Centre, Bennerley Fields School, Holbrook School for Autism, North East Derbyshire Support Centre, Peak School, South Derbyshire Support Centre, St Clare's School and Stanton Vale School are included in Esteem Multi-Academy Trust's cost as they are all included in one scheme.

The LGPS pension costs in relation to The Fountains High School and The Fountains Primary School are also included in Esteem Multi-Academy Trust's cost as they are both included in one scheme under the name of Esteem Multi-Academy Trust.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total cost analysis by academy - previous year

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Esteem Multi-Academy Trust	9,447	69,828	952	61,978	142,205
Bennerley Fields School	117,287	12,704	235	40,028	170,254
Holbrook School for Autism	232,148	39,711	145	53,493	325,497
South Derbyshire Support Centre	20,853	2,621	-	20,315	43,789
Peak School	121,185	20,383	-	28,889	170,457
Stanton Vale School	149,000	10,126	-	27,319	186,445
The Fountains High School	176,784	27,446	-	28,964	233,194
The Fountains Primary School	123,040	34,534	-	25,848	183,422
	949,744	217,353	1,332	286,834	1,455,263

The LGPS pension costs above in relation to Esteem Multi-Academy Trust, Bennerley Fields School, Holbrook School for Autism, South Derbyshire Support Centre, Peak School and Stanton Vale School are included in Esteem Multi-Academy Trust's cost as they are all included in one scheme.

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	34,289,354	34,289,354
Current assets	406,336	3,844,255	-	4,250,591
Creditors falling due within one year	-	(1,443,315)	-	(1,443,315)
Defined benefit pension liability	-	(12,602,000)	-	(12,602,000)
Total net assets	406,336	(10,201,060)	34,289,354	24,494,630

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	27,123,184	27,123,184
Current assets	-	2,855,435	-	2,855,435
Creditors falling due within one year	-	(1,194,368)	-	(1,194,368)
Defined benefit pension liability	-	(5,267,000)	-	(5,267,000)
Total net assets	-	(3,605,933)	27,123,184	23,517,251

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £281,516 (2018: £219,111) were payable to the schemes at 31 August 2019 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' 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.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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)
- 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
- 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%

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

The employer's pension costs paid to the TPS in the period amounted to £644,375 (2018: £53,739).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 per cent for employees.

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

As described in note 24 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained schools and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both their predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2019 £	2018 £
Employer's contributions	1,322,000	106,000
Employees' contributions	357,000	29,000
	<hr/>	<hr/>
Total contributions	1,679,000	135,000
	<hr/>	<hr/>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.8	2.7
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8
	<hr/>	<hr/>

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

	2019 Years	2018 Years
Retiring today		
- Males	21.5	22.0
- Females	24.0	24.4
Retiring in 20 years		
- Males	23.1	24.0
- Females	25.7	26.4
	<hr/>	<hr/>

ESTEEM MULTI-ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2019****19 Pension and similar obligations****(Continued)**

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

	2019	2018
	£'000	£'000
0.5% decrease in discount rate	4,193	2,492
0.5% increase in salary rate	742	528
0.5% increase in pension rate	3,355	1,923

The academy trust's share of the assets in the scheme

	2019	2018
	Fair value	Fair value
	£	£
Equities	10,470,000	8,426,000
Bonds	3,928,000	2,362,000
Property	1,336,000	903,000
Other assets	969,000	738,000
Total market value of assets	16,703,000	12,429,000

The actual return on scheme assets was £877,000.

Amount recognised in the Statement of Financial Activities

	2019	2018
	£	£
Current service cost	2,080,000	170,000
Past service cost	195,000	-
Interest income	(390,000)	(28,000)
Interest cost	556,000	41,000
Total operating charge	2,441,000	183,000

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	17,696,000	-
Obligations acquired on conversion	2,568,000	17,615,000
Current service cost	2,080,000	170,000
Interest cost	556,000	41,000
Employee contributions	357,000	29,000
Actuarial loss/(gain)	5,853,000	(159,000)
Past service cost	195,000	-
At 31 August 2019	29,305,000	17,696,000

Changes in the fair value of the academy trust's share of scheme assets

	2019 £	2018 £
At 1 September 2018	12,429,000	-
Assets acquired on conversion	1,718,000	12,273,000
Interest income	390,000	28,000
Actuarial (gain)/loss	487,000	(7,000)
Employer contributions	1,322,000	106,000
Employee contributions	357,000	29,000
At 31 August 2019	16,703,000	12,429,000

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net income for the reporting period (as per the Statement of Financial Activities)	6,343,379	23,365,251
Adjusted for:		
Net assets transferred on conversion	(6,693,570)	(27,120,590)
Defined benefit pension obligation inherited	850,000	5,342,000
Cash/stocks transferred on conversion	(397,512)	(1,593,200)
Capital grants from DfE/ESFA and other capital income	(829,829)	-
Defined benefit pension costs less contributions payable	953,000	64,000
Defined benefit pension net finance cost	166,000	13,000
Depreciation of tangible fixed assets	494,847	4,050
Impairment of fixed assets	12,000	
Decrease/(increase) in stocks	27,927	(43,011)
Decrease/(increase) in debtors	592,616	(1,883,824)
Increase in creditors	248,947	1,194,368
Stocks, debtors and creditors transferred on conversion	(8,824)	-
Net cash used on operating activities	1,758,981	(657,956)

21 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	50,798	22,582
Amounts due in two and five years	69,658	15,940
	120,456	38,522

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

A Lee, the partner of P Brown, an ex-trustee (resigned 9 April 2019), is the Chief Operating Officer for Esteem. A Lee's appointment was made in open competition and P Brown was not involved in the decision making process regarding her appointment. A Lee is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with an ex-trustee.

H Longley, the spouse of G Longley, trustee, is employed at Fountains Federation. H Longley is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a trustee.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

23 Members' liability

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

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Conversion to an academy

On 1 December 2018, Amber Valley and Erewash Support Centre converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Esteem Multi-Academy Trust from Derbyshire City Council for £nil consideration.

On 1 August 2019, North East Derbyshire Support Centre and St Clare's School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Esteem Multi-Academy Trust from Derbyshire City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

Residual balances totalling £10,913 were received on behalf of Fountains Primary School and South Derbyshire Support Centre in the year, both of which converted to academy status in the previous period.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Amber Valley and Erewash Support Centre	Ilkeston	1 December 2018
North East Derbyshire Support Centre	Hasland	1 August 2019
St Clare's School	Mickleover	1 August 2019

	2019
Net assets transferred:	£
Leasehold land and buildings	6,693,570
Cash	397,512
Defined benefit pension obligation inherited on conversion	(850,000)
Stock	8,824
	<hr/>
	6,249,906
	<hr/>

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Conversion to an academy

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	6,693,570	6,693,570
LA budget funds	406,336	-	-	406,336
LGPS pension funds	-	(850,000)	-	(850,000)
	<u>406,336</u>	<u>(850,000)</u>	<u>6,693,570</u>	<u>6,249,906</u>
				2019 £
Amber Valley and Erewash Support Centre				
- Tangible fixed assets				3,340,950
- Deficit				(95,948)
				<u>3,245,002</u>
North East Derbyshire Support Centre				
- Tangible fixed assets				835,852
- Stock				350
- Cash				209,887
				<u>1,046,089</u>
St Clare's School				
- Tangible fixed assets				2,516,768
- Stock				8,474
- Cash				272,660
				<u>2,797,902</u>
Fountains Primary School				
- Residual balances - cash				6,244
				<u>6,244</u>
South Derbyshire Support Centre				
- Residual balances - cash				4,669
				<u>4,669</u>

ESTEEM MULTI-ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Conversion to an academy

(Continued)

	7,099,906
Defined benefit pension obligation inherited on conversion	(850,000)
	6,249,906

Conversion to academy - prior year

In the previous year, 7 schools converted to academy trust status and the net assets transferred totalled £23,371,790, split as follows:

	2018
	£
Freehold land and buildings	6,845,000
Leasehold land and buildings	20,225,000
Other tangible fixed assets	50,590
Cash	1,593,200
Pension obligation inherited on conversion	(5,342,000)
	23,371,790