

**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 2021**

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# **ESTEEM MULTI-ACADEMY TRUST**

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# ESTEEM MULTI-ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

I Coker  
K Dean  
P Hamer  
B Hunter  
G Longley (from 30 June 2021)

### Trustees

M Emly (Chair)  
D Butler  
K Dean (Vice Chair)  
C Griffin  
C Kennady  
G Longley (resigned 12 May 2021)  
I Van Arkadie (staff trustee resigned 07 September 2021)  
S Fernie (appointed 23 September 2020)

### Key Management

Chief Executive Officer and Accounting Officer	J Scholefield
Chief Operating Officer / Chief Financial Officer	A Lee
Director of Education (appointed 01 September 2020)	S Gilraine
Finance Director (employment ended 30 August 2021)	C Halpin-Rose
Acting Finance Director (appointed 05 July 2021)	W Porter
Headteacher, Amber Valley and Erewash Support Centre	T England
Headteacher, Bennerley Fields School	A Harrison
Headteacher, Elmsleigh Infant and Nursery School	K Burton
Executive Headteacher, The Fountains High School and South Derbyshire Support Centre (appointed 15 July 2021). (Acting Headteacher from 01 September 2020 and 01 April 2021 respectively)	G Allen
Acting Headteacher, The Fountains Primary School (appointed 01 September 2020)	N Price
Headteacher, Holbrook School for Autism	S Bayliss
Headteacher, North East Derbyshire Support Centre	M Morris
Headteacher, Peak School	J McPherson
Headteacher, South Derbyshire Support Centre (employment ended 31 December 2020)	D O'Donovan
Acting Headteacher, St Clare's School (employment ended 19 April 2021)	C Marshall
Headteacher, St Clare's School (appointed 19 April 2021)	L Russell
Headteacher, Stanton Vale School	R Mulvey

### Company secretary

A Lee

**Company registration number** 11403922 (England and Wales)

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# **ESTEEM MULTI-ACADEMY TRUST**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Principal and registered office</b>	Suite 43, Pure Offices Lake View Drive Annesley Nottingham NG15 0DT
<b>Independent auditor</b>	Hart Shaw LLP Europa Link Sheffield Business Park Sheffield S9 1XU
<b>Bankers</b>	Lloyds Bank Plc 31-33 St Peters Street Derby Derbyshire DE1 2AA
<b>Solicitors</b>	Flint Bishop LLP St Michaels Court St Michaels Lane Derby DE1 3HQ

# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 01 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates eleven academies for students aged 2 up to 19 years, serving catchment areas in Derbyshire, Staffordshire, and Derby City. The academies are:

- Amber Valley and Erewash Support Centre – alternative provision (AP) academy
- Bennerley Fields School – special academy
- Elmsleigh Infant & Nursery School – primary academy
- The Fountains Primary School – special academy
- The Fountains High School – special academy
- Holbrook School for Autism – special academy
- North East Derbyshire Support Centre – alternative provision (AP) academy
- Peak School – special academy
- St Clare's School – special academy
- South Derbyshire Support Centre – alternative provision (AP) academy
- Stanton Vale School – special academy

The Trust has a combined student capacity of 1,330 and had a roll of 1,349 in the school census dated May 2021. Capacity in special academies can fluctuate year on year as driven by specific needs of the students on roll rather than by an agreed number of classes and class sizes. Legal obligations of special academies to admit students can result in the Trust's student roll exceeding its student capacity.

### **Structure, governance and management**

#### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the 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 1-2.

#### **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.

# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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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 the Trust's risk protection arrangement for the period to 31 August 2021 is £23,472. Our provider is Department for Education's Risk Protection Arrangement (RPA). This indemnifies trustees up to £10 million for any one loss and any one membership year.

### **Method of recruitment and appointment or election of trustees**

The arrangements set out in the Articles of Association explain how the Trust may recruit new trustees. They also stipulate how they may be nominated and appointed to the Trust Board.

The Trust currently has 6 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 Trust Board 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 Trust Board seek to maintain a range of appropriate skills.

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 and training is tailored specifically to the needs of the individual and the requirements of the role. 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. Trustees and all those in a governance role with the Trust have access to resources and advice from The Key and the National Governance Association (NGA). This includes access to over 50 governance on-line learning modules and certificated courses. The Trust is also a member of the Confederation of Schools Trust (CST) which enables trustees to access professional development, governance guidance and networking opportunities.

### **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 Trust's 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 Trust, approving the

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# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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annual budget and the Scheme of Delegation, ensuring appropriate internal controls and audit checks are in place to ensure the Trust's money is well spent, and oversees the management of risk.

The Trust Board has established the following committees to which it may delegate powers: Finance and Audit, Standards and Achievement, Pay, and CEO Performance Management. The committees normally expect to meet three times per annum, except for the Pay and CEO Performance Management committees, which meet on an ad-hoc basis. A trustee is also in attendance at a termly Capital Panel meeting which is chaired by the COO with FD and executive team lead attending. This ensures Trustee focus and oversight of capital planning within the Trust.

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-Trust chairs group, which is a forum attended by the CEO, governance manager, chairs of the local governing boards and representatives from the Trust Board. The group meets each term to focus on governance matters affecting local governing boards, to provide ongoing CPD and guidance, to promote cohesive working practices across the organisation and maintain effective communications between the local governing boards and the Trust Board.

The post of governance manager within the central team provides the capacity to focus upon trust-wide governance matters. The governance manager is also the clerk to trustees and line manages three clerks who provide professional clerking services to eight of the ten local governing boards within the Trust. This governance manager provides a key link with local governing board chairs and attends and clerks the chairs group meetings. Governance support and guidance is provided to all three tiers of governance within the Trust.

The chief executive officer is accountable to the Trust Board and is the accounting officer. The Trust employs a chief operating officer, who is also the chief finance officer, and acts as company secretary. A director of education and finance director are also employed. 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 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 Trust aims.

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# ESTEEM MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Chief executive officer pay and remuneration: reflecting those of School Teachers' Pay and Conditions document. Set initially by the assessment of the current highest paid headteacher in the Trust, and benchmarking across similar size multi-academy trusts. This is reviewed annually by trustees in line with Trust Performance Management Policy. Access to Teachers' Pensions.

Other key management personnel pay and remuneration: set initially via benchmarking with other similar sized multi-academy trusts and taking advice from recruitment consultants.

Other salary levels within the Trust: qualifications specified for the role and relative responsibilities are also taken into consideration. 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 Trust staff currently perform official trade union duties under the agreement, the Trust is covered appropriately and benefits from the local authority arrangements.

The information detailed below covers a twelve-month period from 01 April 2020 to 31 March 2021.

The facility time data that organisations are required to collate and publish under the new regulations is shown below.

### **Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	4.82 FTE

**Table 2**

### **Percentage of time spent on facility time**

Percentage of time	Number of Employees
0%	1
1-50%	5
51-99%	0
100%	0

**Table 3**

### **Percentage of pay bill spent on facility time**

First Column	Figures
Provide the total cost of facility time	£9,676.67
Provide the total pay bill	£20,080,365.70
Provide the percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time ÷ total pay bill) x 100	0.05%



**ESTEEM MULTI-ACADEMY TRUST**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Table 4**

**Paid trade union activities**

<b>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</b>	<b>91.8%</b>
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**Related parties and other connected charities and organisations**

The Trust is currently made up of eleven academies. Some of the academies have forged close links to other special schools and trusts. All academies work closely with other support agencies to achieve the best outcomes for the children and young people and assist with the 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.

The chair of Trust Board, CEO, and senior members of the management team have forged and maintain links with other Trusts. This includes Raleigh Learning Trust, Saint Ralph Sherwin Catholic Multi Academy Trust, Autism Education Trust, Nexus Education Schools Trust and Forward Trust. Whilst the shared focus is collaborative working and championing best practice it is hoped that in future there will be opportunities for shared capacity, for example training, with one or more trusts and joint working for the common good.

The Trust is linked with Prosper Learning Trusts via the Department for Education Trust to Trust development programme.

The CEO is a member of the MAT CEO Network for Alternative Provision and Send. This group meets regularly with the Department for Education, giving a voice to the special education sector.

**Engagement with employees (including disabled persons)**

- Providing employees with information on matters of concern to them

During the last 12 months COVID-19 has remained a prominent theme. The Trust has communicated regularly with employees to inform them of expectations and information as updates were provided by the UK government. Information was provided in the form of information guides, via social media, and in person or telephone calls. A well-being guide was made available to support staff with emotional well-being, physical well-being, communication well-being, domestic abuse, and financial support signposting.

- Consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests.

Esteem MAT is currently in the process of centralising all our HR policies. This is to ensure that all staff are treated fairly and consistently across the organisation. To ensure both employee and Trade Union voice is included we have implemented the following process for each policy:

- Employee Champions – Provide feedback on the three current policies and express what they expect an Esteem policy to contain.
- Policy Writer – An external policy writer uses Employee Champion feedback to write the policy 1<sup>st</sup> drafts.
- Staff Consultation – The 1st draft is taken through a full staff 10-day consultation period where all staff are asked to review the policy and recommend or request amendments.
- Trade Union Consultation – The 2nd draft is taken through a full 10-day consultation period with all our recognised Trade Unions.

# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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- Final Policy Draft – Trustees are asked to approve and ratify the final policy prior to roll out across the Trust.

During the week beginning 07 June 2021, a full staff engagement survey was conducted to consult with all staff on how satisfied they were with the Trust. We had a 43% response rate, and we are pleased to report that 87% of staff that responded said that they felt Esteem Multi-Academy Trust was an organisation that cares about its employees; 98% knew what is expected of them at work and 95% felt their colleagues were committed to doing a good quality work.

- Encouraging the involvement of employees in the company's performance
- Achieving a common awareness on the part of all employees of the factors affecting the performance of the company.

To encourage the involvement of employees in the company's performance, the Trust has ensured that all local governing boards have employee representatives. We are committed to our employees playing a part in monitoring our academy's individual key performance indicators and act as a critical friend, providing challenge where appropriate. This assists with ensuring employee voice is represented as an internal stakeholder. The Trust also appointed a Director of Education who has been focused on developing our established outstanding educational standards by utilising tacit knowledge held by our staff and leaders. We are also utilising employee voice to develop the brand of the Trust and what this means to our ethos and values, which in turn will support performance.

- Its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person

As a Trust we welcome applications from disabled persons and make any reasonable adjustments required to ensure they are able to access a fair recruitment process. If a member of staff was to become disabled during the course of their employment, we ask for support from occupational health and trade unions to ascertain what reasonable adjustments can be made either on a temporary or permanent basis. This is standard practice across the Trust. Training, career development, and promotion are open to all employees including disabled employees and the process of accessing these is equality risk assessed as neutral.

#### **Engagement with suppliers, customers and others in a business relationship with the trust**

Esteem Multi-Academy Trust was formed in a collaborative way by seven previously local authority-maintained schools, and we are committed to continuing to work in a positive and proactive way with all the local authorities admitting students to our academies. Our chief executive officer sits on several local authority, regional and national working groups, and forums, all designed to promote and progress the needs of vulnerable children and young people across our education system. The ethos of Esteem Multi-Academy Trust is that collaborative, partnership working is the key to achieving improved performance for our own students and for those we can help to support outside of our Trust.

As a Trust we are committed to supporting students with SEND within our academies, but also in the wider school system, and we welcome the opportunity to contribute to the integrated resources, special-led hubs and outreach programmes that are being developed by local authorities. To that end we work collaboratively with mainstream and special settings to develop and share expertise and approaches.

Our close and successful engagement with local authorities is exemplified by the partnership working we have undertaken this year with Derby City Council to consider and plan the extension and improvement of St Clares School, Derby. We will continue to work with the Council through 2021-22 to progress these plans and improve opportunities and facilities for more SEN pupils in Derby.

The Trust is a member of a number of external networking organisations locally and nationally including the Confederation of School Trusts, Forum Strategy, The Trust Network, AP and SEND CEO Network, and a number of networks for specific professional areas.

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# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Trust procures a number of services for all its academies and has close relationships with Entrust in Staffordshire and also Derbyshire County Council Services 4 Schools.

### **Objectives and activities**

#### **Objects and aims**

Our vision is to be a Trust that:

- Leads and supports our academies to provide the highest standards of education and development for all our students
- Enables academies with a shared sense of purpose to benefit from alignment whilst maintaining individuality
- Provides a strong, collective voice for our academies at a local and national level
- Delivers support and SEND expertise to our academies and to other schools and local authorities

Our vision will be delivered via our three core strategic aims. Everything we do should be ultimately focused on doing these three things well:

- We will provide an ambitious, inspirational, bespoke education, setting the foundation for the future and ensuring our young people are ready for the world.
- We will deliver high standards and value for money from our support services, resources, estate, and technology.
- We will invest in and support our people, exploiting opportunities for collaborative, continual professional development, sharing of expertise and best practice.

#### **Objectives, strategies and activities**

Our focus is to improve, 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. Due to the continuing impact of COVID-19 in 2020-21, a number of objectives from the previous year will continue to be our priorities and we also have new areas to consider. Our priority areas are to:

- Achieve a high standard of educational outcomes
  - Demonstrate that academies that are not yet good are making significant progress towards a good outcome, and those that are good are striving to be outstanding.
  - Ensure that safeguarding is its highest priority
  - Invest in supporting students and families in overcoming barriers to accessing education
  - Ensure that stakeholder voice is represented and taken account of in decision making
  - Be in surplus each financial year to ensure ongoing financial and operational viability
  - Show continuous improvement each year in financial planning and reporting to improve the reliability of the information for trustees and headteachers decision-making and for investment opportunities
  - Have plans to address future risks to ongoing financial viability
  - Ensure value for money by challenging costs and implementing more economical ways of working without affecting the safety or educational offer to students
  - Demonstrate a sustainable approach to maintaining and improving its estate, which gives value for money and is predicated on an 'invest to save' model
  - Ensure that energy spend compares favourably within the sector
  - Show a proactive approach to energy management and a reduction in its carbon footprint
  - Invest in the health and well-being of all staff
  - Ensure that all staff, leaders, and governors are fully equipped to carry out their role to the greatest effect
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# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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- Create opportunities for collaborative working and learning within and outside the Trust to support standards and efficiency improvements
- Ensure that the diversity of its workforce reflects the diversity of the communities it serves

### **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 2020-21 Holbrook School for Autism's residential provision was again visited by Ofsted and again received a grade of 'outstanding.' The residential provision has been judged as outstanding in the last eight consecutive annual inspections.

Due to the continued suspension of Ofsted normal operations due to COVID-19, no other academies have been inspected by Ofsted and all, therefore, remained on the same Ofsted grades as last year. The majority 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 The Fountains High School was judged good with outstanding features, which means it should be re-inspected within two years. North East Derbyshire Support Centre, which joined the Trust in August 2019, remains as 'Requires Improvement.' All academies within the Trust are converter academies.

From September 2020 the Trust has had a Director of Education post, supported by a School Improvement adviser from November 2020. This has meant that the Trust has been able to offer its own school improvement and professional development services for staff at all academies. The professional development offer has included:

- Outstanding leaders programme
- Beyond Esteem
- Beginning the journey
- Making the best of transition
- The Esteem MAT Research Fellowship
- Esteem networks – sharing challenges and solutions
- Safeguarding support and Early Help development
- Head Teacher support and development packages
- Governor training packages

Overall trust general restricted and unrestricted reserves have increased in 2020-21. This has been achieved whilst also making funds available for a number of capital projects improving building fabric and energy efficiency.

In 2020-21 the Trust received school condition allocation funding for the first time and used this towards a major roof improvement project at Stanton Vale School. The Trust continues to invest in its estate to improve teaching and learning environments and improve efficiency. In 2020 the Trust Board approved a three year Estates Strategy which will focus and prioritise the Trust's actions in maintaining and improving its land and property.

In April 2020 the Trust launched its own internal ICT support service for its academies, providing on-site and remote technical support and advice.

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# ESTEEM MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

### Key performance indicators

The strategic plan for the Trust includes key performance indicators that should have been baseline assessed in 2020. However, due to the impact of Covid in 2020-21 a number of these assessments have been pushed back to 2021-22 in order to establish a more 'normal' level of performance against which to compare future outcomes. Internal financial benchmarking and KPIs have been established and these are reported on a monthly basis with the management accounts.

Current information on Ofsted grades and student numbers relating to those academies within the Trust is as follows:

Academy	Most recent Ofsted outcome	Agreed student numbers 2020-21	Agreed student numbers 2021-22 (GAG as at 01 Sept 2021)	Projected FTE student numbers 2021-22 (still to be confirmed)
Amber Valley & Erewash Support Centre	Good	156	150	150
Bennerley Fields School	Outstanding	88	91	92
Elmsleigh Infant and Nursery School	Requires Improvement	163	163	178
Fountains High School	Good	185	190	203
Fountains Primary School	Good	155	175	183
Holbrook School for Autism	Good	127	128	129
Peak School	Good	60	65	67
South Derbyshire Support Centre	Good	26	26	27
Stanton Vale School	Good	93	90	82
North East Derbyshire Support Centre	Requires Improvement	100	100	100
St Clare's School	Outstanding	130	135	145
<b>Total student numbers</b>		<b>1283</b>	<b>1313</b>	<b>1356</b>

### Going concern

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

### Promoting the success of the company

Esteem Multi-Academy Trust has a number of internal communication methods, which promote an understanding of the Trust's priorities and successes. These include regular meetings of the executive team (all headteachers) and a group of all the chairs of governors from local governing boards. These meetings have continued throughout 2020-21 by using online meeting platforms. The chief executive officer writes a monthly communication, which is included on the back of all staff pay slips and, under normal circumstances,

# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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the chief executive officer and chair of the trust board would make regular visits to academies to meet with staff and students.

The Trust also uses social media and its external networking with local authorities and national academy trust organisations to promote and extend its core values and reputation for expertise in SEND both regionally and nationally.

### **Financial review**

As of 01 September 2021, there were eleven academies in Esteem Multi-Academy Trust. There were no new schools that joined Esteem during the year thus the number of schools remained at eleven at the end of the financial year.

There are two main sources of income for the 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 2021 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 £604,314. These figures also exclude the deficit on the Local Government Pension Schemes (see note 21 to the accounts).

Total reserves as at 31 August 2021, excluding the restricted fixed asset fund and pension reserve, totalled £3,877,907. As at 31 August 2021 the net book value of fixed assets was £39,877,633 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

In July 2020, the Trust was awarded fourteen Capital Investment Fund (CIF) grants totalling £2,649,178 for projects with revised expected costs totalling £3,136,127. Ten of the projects were completed in full during the financial year ending 31 August 2021 and the remaining four are expected to be completed in the financial year ending 31 August 2022.

At the start of the financial year, school general restricted and unrestricted reserves were pooled into a single Trust reserve to allow for allocation of expenditure.

The Trust now qualifies for School Condition Allocation (SCA) funding and as a result will no longer be able to access CIF funding. Included in the accounts is £722,122 of SCA funding and these funds have been allocated to a roof project:

- £112,042 of expenditure has been included in the financial statements for year ending 31 August 2021
- The remaining £610,080 is expected to be spent during the year ending 31 August 2022

# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Reserves policy**

The Reserves Policy identifies that the Trust 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 trust level in order to assess the required level of resources needed to meet anticipated and unanticipated needs in the short and long term
- facilitate a Capital Panel to review and prioritise proposed capital spending on buildings, grounds, information, and communication technologies (ICT) and vehicles over £10,000 by academies for approval by the finance & audit committee
- maintain a rolling trust capital spend programme

The Trust is holding reserves as at 31 August 2021 of £20,457,602. This comprises:

- Restricted Funds of £(19,918,190)
- Restricted Fixed Asset Funds of £40,222,695
- Unrestricted Funds of £153,097

Restricted Funds comprises:

- £3,724,810 general funds to support the Trust's budget in 2021-22.
- £23,643,000 in relation to the deficit on the local government pension schemes.

The deficit position of the local government pension schemes may result in future cash flow effects for the Trust in the form of increased employers' pension contributions over a period of years. The local government pension schemes are revalued every three years and the employers' contribution rate is recalculated for the three years following this revaluation. The local government pension schemes were revalued in 2020 and the recalculated employers' contribution rates became effective from April 2020 for three years.

In July 2020, the Trust were successful with fourteen Condition Improvement Fund (CIF) projects. As at the end of the financial year ten projects were completed with the remaining four expected to be completed during the year ending 31 August 2022. CIF/Salix loans for the projects total £440,885 to be repaid over a number of years. Revised contributions from the Trust's reserves for the projects total £69,753:

- £52,640 has been included in the financial statements for year ending 31 August 2021
- £17,113 of the Trust's reserves are designated for the remaining costs

As a result of the Trust moving towards a pooled reserve policy, the Trust has been able to allocate £1,224,028 of pooled reserves to capital projects across the eleven schools.

During the financial year ending 31 August 2021, the construction of two new classroom projects were finished. Final project costs finished at £995,417.

# ESTEEM MULTI-ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Investment policy**

On 21 May 2021 a revised investment policy was approved by the Board of Trustees. Key principles of the investment policy:

- Ensure adequate cash balances are maintained in the current bank account to cover day-to-day working capital requirements and planned capital expenditure
- Minimise risk of any loss on invested funds
- Optimise returns on invested funds within the level of risk considered to be acceptable to support the Trust's strategic aims
- Ensure the ability for the Trust to react quickly to changes in financial circumstances

### **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:

Finance	<p>Risk of reduced special and AP 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>Deficit budget/actual finance erodes trust reserves.</p> <p>Majority of trust estate is made up of old, not built for purpose, inefficient buildings, and lack of detailed information on sites and buildings transferred from local authorities on conversion – risk of deterioration, failure of building systems, health and safety compliance, rising energy.</p> <p>Ofsted inspection findings reduce category of one or more Trust academies from September 2021. Negative reputational impact leads to financial impact.</p> <p>Increasing pension fund deficit poses long term finance risk to the Trust.</p>
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### **Fundraising**

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



## ESTEEM MULTI-ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	Current reporting year 2020/21	Comparison reporting year 2019/20
Energy consumption used to calculate emissions (kWh)	5,085,141	4,750,952
Energy consumption break down (kWh) (optional): <ul style="list-style-type: none"><li>• gas</li><li>• electricity</li><li>• transport fuel</li></ul>	4,044,323 903,339 137,479	3,796,462 786,240 168,250
<b>Scope 1 emissions in metric tonnes CO2e</b>  Gas consumption Owned transport – mini-buses Total Scope 1	740.76 15.14 755.90	698.06 15.99 714.05
<b>Scope 2 emissions in metric tonnes CO2e</b>  Purchased electricity	191.81	183.3
<b>Scope 3 emissions in metric tonnes CO2e</b>  Business travel in employee owned vehicles	18.62	25.43
Total gross emissions in metric tonnes CO2e	966.32	922.78
Intensity ratio Tonnes CO2e per pupil	0.74	0.79

#### Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per student, the recommended ratio for the sector.

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# **ESTEEM MULTI-ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Measures taken to improve energy efficiency**

We have engaged with an external energy consultant who has completed site surveys and consolidated all our academies' energy data. We have analysed this information to understand what effective measures we can take to reduce our energy consumption.

We have installed PV solar panels at Bennerley Fields School and Peak School.

We have completed or started several capital projects, funded by CIF and School Condition Allocation grants, and also through use of the Trust's own reserves, that are aimed at increasing energy efficiency. These include:

- Holbrook School for Autism – Thermal Comfort Project
- Holbrook School for Autism – Window Replacement
- South Derbyshire Support Centre – Window Replacement
- South Derbyshire Support Centre – Boiler replacement
- Stanton Vale School – Window Replacement
- Stanton Vale School – Roof Refurbishment
- St Clare's School – Window Replacement
- North East Derbyshire Support Centre – Boiler Replacement

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

### **Plans for future periods**

- Procure and provide more trust-wide services, providing better value for money and cutting down administrative burden on academies
- Market the Trust FASST (Family and Student Support Service Team) and plan to deliver therapy and care services on a trust-wide basis.
- Continue the roll out of the implementation of a new in-house HR and payroll system (HR module planned to be live from November 2021 and payroll to be live from April 2022)
- Develop and implement a Trust Workforce Strategy and Communications Strategy
- Audit staff CPD across the Trust, develop a trust-wide staff CPD policy and identify training priorities for 2021 onwards.
- Work in association with and to support other special schools in Derbyshire
- Plan for the extension and improvement of St Clares School, Derby City
- Provide options appraisals to Derbyshire and Staffordshire County Councils for capital projects to increase SEN places in Esteem special schools.

### **Funds held as custodian trustee on behalf of others**

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

## **ESTEEM MULTI-ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **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.

The financial statement auditors, Hart Shaw LLP, are willing to continue in office and a resolution to reappoint them will be considered at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Trust Board, as the company directors, on 8 December 2021 and signed on its behalf by:



**M Emly  
Chair**



**J Scholefield  
Accounting Officer**

# ESTEEM MULTI-ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Trust Board 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 Trust Board 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 formally met ten times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trustees during the year	Meetings attended	Out of a possible
M Emly (chair)	10	10
K Dean (vice chair and chair of the audit and finance committee)	7	10
D Butler	9	10
S Fernie	7	10
C Griffin	10	10
C Kennady	10	10
G Longley	2	7
I Van Arkadie	6	10

Mark Emly was elected as chair of the Trust Board, and Kevin Dean elected as vice chair in September 2020. Gregory Longley resigned from being a trustee on 12 May 2021 and Ian Van Arkadie resigned from being a trustee on 07 September 2021. Sheran Fernie was appointed as a trustee on 23 September 2020. Kevin Dean was elected as chair of the audit and finance committee in November 2020. Gregory Longley was appointed as a member on 30 June 2021.

A review of governance has been conducted in line with guidance and expectations of the Department for Education and the Regional Schools' Commissioner. The Trust Board has considered the interrelations and cohesion of the different layers of governance within the trust. This has resulted in the development of a trustee and governor CPD offer and investment in external provision of e-based learning. The effective induction and onboarding of new governors and trustees has also been a focus and an improved induction process is planned for roll out Spring 2022. Link trustees, aligned to each academy, continue to strengthen governance and to enable the Trust Board to gain a deeper knowledge of our academies.

The main challenge that has arisen this year has been the continued impact of the COVID-19 pandemic, the related period of nationwide lockdown and subsequent transition to recovery within the education sector. The Trust Board has continued to convene virtually during this time and has attended ten meetings, 5 of which were extraordinary meetings. Scheduled committee meetings have also been convened virtually. Members have met virtually with the Trust Board twice during the year, once at the Annual General Meeting and a

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**ESTEEM MULTI-ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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second time at a member's meeting on 30<sup>th</sup> June 2021, where the Trust Board were in attendance. Any member related approvals were dealt with via written resolutions.

The audit and finance committee has met 4 times during the year. A review of their terms of reference was carried out in November 2020 ensuring that the committee would meet regularly, formally reporting and escalating any decision making outside of their delegated authority through to the Trust Board. Financial reporting, strategic risk (including the financial risk register) and committee feedback remain as standing items at Trust Board meetings.

In September 2020, Sheran Fernie, who is a qualified accountant, joined the Trust Board. This appointment was made following focused recruitment to secure a trustee with financial qualifications who would sit on the audit and finance committee.

Effectiveness of governance has also been considered at the chairs group meetings leading to continued improvements in the way guidance and learning is communicated back to local governing boards. During the year there has been improved focus with regards to school improvement and the Ofsted inspection framework. The Director of Education and school improvement lead are now regular attendees at the chairs group and lead training and development activities providing cross-Trust collaboration opportunities for chairs. The governance manager also attends and discusses with chairs relevant governance policy and procedural updates, shares best practice and provides guidance on carrying out their roles as chairs effectively.

The Trust Board are committed to being self-evaluative in relation to how they fulfil their duties and function to inform their ongoing development. In July 2021 the Trust Board, supported by a Chair of Trust Board of the Saint Ralph Sherwin Catholic Multi Academy Trust, carried out a board effectiveness review. The Confederation of Schools Trust Improvement Capacity Framework for Trust Governance was used which is based on the Competency Framework for Governance (DfE 2017). The review findings have informed action planning. The Trust Board have agreed that an external review of governance be planned for Spring 2022.

In April 2021 the Trust's internal auditors (Mazars LLP) undertook an audit of the controls and processes in place in respect of governance. This formed part of the Internal Audit Plan for 2020/21. The audit report supported that there was substantial assurance on adequacy and effectiveness of internal controls. There were no significant weaknesses, and two low priority (housekeeping) recommendations were made which were accepted by the Trust Board and responsive action taken. One of the recommendations was that the Trust recruits a fifth member which was achieved June 2021 when G Longley was appointed as a new member. The other recommendation was in relation to the development of a Trust governance recruitment policy which is expected to be approved by the Trust Board in December 2021.

Self-evaluation results and skills gap analysis have also been considered ahead of undertaking trustee recruitment. During the last year two trustees have stepped down and recruitment is ongoing to secure two new trustees by Spring term 2022.

During the year there has also been an expansion of the shared clerk to governors' roles with three clerks now working to the governance manager in the central team and providing a professional clerking service for eight of the schools in the Trust. This will be developed further in the coming year.

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 the delegated powers from one of the local governing boards within the Trust. Governance and financial risks were monitored and decision making, and interim governance resided with the trustees/senior team. The Trust Board reviewed the governance arrangements and made the decision to permanently step down the governing board. Executive management changes and organisational redesign prompted further trustee decisions and the governance arrangements moved to another established local governing board within the Trust.

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**ESTEEM MULTI-ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 frequent consideration of the effectiveness and impact of decision making. The trustees have also introduced an improved meeting review process and consider their discussions and decision making against the Trust's vision and values at the end of each Trust Board meeting.

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 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 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 Trust.
- Advise the Trust Board and accounting officer on the adequacy and effectiveness of the 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 during the year were as follows. I Van Arkadie was not a member of the committee post November 2020 and M Emly joined the committee February 2021:

Trustees	Invitees
K Dean	CEO – J Scholefield
M Emly	COO/CFO – A Lee
D Butler	FD – C Halpin-Rose
C Kennady	
S Fernie	
I Van Arkadie	

Attendance at meetings in the year was as follows:

Trustees during the year	Meetings attended	Out of possible
K Dean (chair of the audit and finance committee)	4	4
M Emly (chair of Trust Board)	3	3
D Butler	2	4
C Kennady	4	4
S Fernie	3	4
I Van Arkadie	0	1

**Review of value for money**

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

**ESTEEM MULTI-ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

- Improving financial expertise and capacity and improving financial monitoring and reporting.
- Implementing a Trust ICT support service
- Market testing and comparing costs for surveyor services
- Bringing payroll provision in-house
- Supporting academies with a number of 'invest to save' capital projects
- Supporting AP academies to implement alternatives to expensive, off-site education services
- Implementing staffing restructures in two academies

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims, and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Esteem Multi-Academy Trust for the period 01 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial, and compliance controls that have been implemented to mitigate those risks. The 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 2020 to 31 August 2021 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 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.

The Trust Board has considered the need for a specific internal audit function and, in June 2020 decided to appoint Mazars auditors, to undertake internal audit services to the Trust.

**ESTEEM MULTI-ACADEMY TRUST**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Checks that were carried out in the period included:

- Review of Internal Financial Reporting
- Review of Governance
- School Compliance including; purchases, payments, payroll and expenses

The internal auditor did not identify any material control issues during 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 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 Trust Board on 8 December 2021 and signed on its behalf by:



M Emly  
Chair



J Scholefield  
Accounting Officer



## **ESTEEM MULTI-ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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As accounting officer of Esteem Multi-Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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**

08 December 2021

# ESTEEM MULTI-ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020 to 2021 published by the Education and 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:

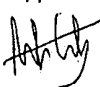
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 08 December 2021 and signed on its behalf by:



M Emly  
Chair

# ESTEEM MULTI-ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Opinion

We have audited the accounts of Esteem Multi-Academy Trust for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### 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.

# **ESTEEM MULTI-ACADEMY TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud and the audit response**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **ESTEEM MULTI-ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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At the planning stage we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general academy sector experience and through discussion with management, as required by auditing standards. The potential effect of any laws and regulation on the financial statements can vary considerably. There are laws and regulations that directly affect the financial statements (e.g. the Companies Act, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021) as well as many other operational laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

We have assessed the overall susceptibility of the financial statements to material misstatement due to irregularities as moderate risk due to the inherent regulatory environment and financial reporting requirements within the sector. Furthermore, increased public scrutiny due to use of public funds increases the risk around certain financial reporting disclosures. However, as a result, there are stronger financial controls around sensitive financial reporting disclosures imposed by the ESFA therefore this reduces the risk of material misstatements as a result of irregularities being undetected. The procedures performed by the audit team included:

- Communicating identified laws and regulations at planning to all members of the audit team to remain alert to any indications of non-compliance throughout the audit.
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including the current Academies Accounts Direction.
- Review of any OFSTED reports within the period.
- Review of the Internal Scrutiny Reports delivered in the year.
- Ensuring that any findings noted as part of our work on regularity (as detailed in our Independent Reporting Accountant's Assurance Report) which indicate the possibility of irregularities and fraud, including any breaches of the Academies Financial Handbook, are also considered as part of our conclusions here.
- Review of the Accounting Officer's Statement of Regularity, Propriety and Compliance and the academy trust's Governance Statement disclosures.

We have assessed the overall susceptibility of the financial statements to material misstatement due to fraud as low risk because of the strong control environment and regulatory framework imposed on academy trusts by the ESFA. Management override is the most common way in which fraud might present itself and is therefore inherently high risk on any audit. Management override, which may cause there to be a material misstatement within the financial statements, may present itself in a number of ways, for example:

- Override of internal controls (e.g. segregation of duties)
- Entering into transactions outside the normal course of operations, especially with related parties
- Fraudulent revenue recognition, including fictitious income and income being recorded in the wrong period
- Presenting bias in accounting judgements and estimates, particularly the ones disclosed in note 2 to the financial statements.

# ESTEEM MULTI-ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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In order to reduce the risk of material misstatement to an acceptable level, numerous audit procedures were performed including:

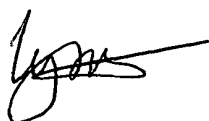
- Enquiries of management as to whether they had any knowledge of any actual or suspected fraud
- Review of all material journal entries made throughout the year as well as those made to prepare the financial statements.
- Review of financial data for evidence of previously unidentified related party transactions that may not have been conducted in accordance with the Academies Financial Handbook.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing the underlying rationale behind transactions in order to assess whether they were outside the normal course of business
- Increased substantive testing across all material income streams
- Assessing whether management's judgements and estimates indicated potential bias, particularly those disclosed in note 2 to the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected material misstatements in the financial statements, even though we have performed our audit in accordance with auditing standards. Furthermore, as with all audits, there is a higher risk of irregularities (especially those relating to fraud) being undetected, as these may involve the override of internal controls, collusion, intentional omissions and misrepresentations etc. We are not responsible for preventing non-compliance or fraud and therefore cannot be expected to detect all instances of such. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.



**Hannah Jones (Senior Statutory Auditor)**  
for and on behalf of Hart Shaw LLP

13 December 2021

**Chartered Accountants**  
**Statutory Auditor**

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

# **ESTEEM MULTI-ACADEMY TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 7 July 2018 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw our conclusions included:

- reviewing for transactions which require ESFA approval in accordance with the Academies Financial Handbook 2020;
- reviewing any special payments to staff (compensation, severance and ex-gratia) to ensure compliance with the Academies Financial Handbook 2020;
- reviewing for any borrowings that contravene the Academies Financial Handbook 2020;
- reviewing for connected party transactions to ensure compliance with the Academies Financial Handbook 2020;
- reviewing for any evidence of non-compliance with laws and regulations;
- reviewing committee meeting minutes for indications of irregular transactions;
- carrying out systems and controls testing and considering the effectiveness of such controls; and
- carrying out targeted substantive testing to review for any unusual or irregular transactions.

## **ESTEEM MULTI-ACADEMY TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### **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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Hart Shaw LLP*

#### **Reporting Accountant**

Hart Shaw LLP  
Europa Link  
Sheffield Business Park

Sheffield

S9 1XU

Dated: 13 December 2021



# ESTEEM MULTI-ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	28,630	2,177,898	2,206,528
Donations - transfer from local authority on conversion		28,485	-	-	28,485
Charitable activities:					
- Funding for educational operations	4	-	27,162,671	-	27,162,671
Other trading activities	5	22,010	155,435	-	177,445
Investments	6	664	-	-	664
<b>Total</b>		<b>51,159</b>	<b>27,346,736</b>	<b>2,177,898</b>	<b>29,575,793</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	22,010	27,783,279	805,728	28,611,017
<b>Total</b>	<b>7</b>	<b>22,010</b>	<b>27,783,279</b>	<b>805,728</b>	<b>28,611,017</b>
<b>Net income/(expenditure)</b>		<b>29,149</b>	<b>(436,543)</b>	<b>1,372,170</b>	<b>964,776</b>
Transfers between funds	19	-	(1,662,292)	1,662,292	-
<b>Other recognised gains/(losses)</b>					
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(5,480,000)	-	(5,480,000)
<b>Net movement in funds</b>		<b>29,149</b>	<b>(7,578,835)</b>	<b>3,034,462</b>	<b>(4,515,224)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		123,948	(12,339,355)	37,188,233	24,972,826
Total funds carried forward		153,097	(19,918,190)	40,222,695	20,457,602

# ESTEEM MULTI-ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	7,125	1,462,650	1,469,775
Donations - transfer from local authority on conversion		(11,872)	(1,043,000)	1,675,000	620,128
Charitable activities:					
- Funding for educational operations	4	-	24,721,123	-	24,721,123
Other trading activities	5	-	141,254	-	141,254
Investments	6	2,985	-	-	2,985
<b>Total</b>		(8,887)	23,826,502	3,137,650	26,955,265
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	-	25,866,929	706,177	26,573,106
<b>Total</b>	7	-	25,866,929	706,177	26,573,106
<b>Net income/(expenditure)</b>		(8,887)	(2,040,427)	2,431,473	382,159
Transfers between funds	19	-	(172,560)	172,560	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	21	-	303,000	-	303,000
<b>Net movement in funds</b>		(8,887)	(1,909,987)	2,604,033	685,159
<b>Reconciliation of funds</b>					
Total funds brought forward		132,835	(10,429,368)	34,584,200	24,287,667
Total funds carried forward		123,948	(12,339,355)	37,188,233	24,972,826

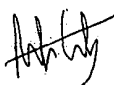
# ESTEEM MULTI-ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	39,877,633	36,704,133
<b>Current assets</b>			
Stocks	14	3,562	4,594
Debtors	15	1,381,738	881,437
Cash at bank and in hand		6,158,737	5,897,508
		7,544,037	6,783,539
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(2,846,119)	(2,682,575)
<b>Net current assets</b>		4,697,918	4,100,964
<b>Total assets less current liabilities</b>		44,575,551	40,805,097
Creditors: amounts falling due after more than one year	17	(474,949)	(343,271)
<b>Net assets before defined benefit pension scheme liability</b>		44,100,602	40,461,826
Defined benefit pension scheme liability	21	(23,643,000)	(15,489,000)
<b>Total net assets</b>		20,457,602	24,972,826
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	19		
- Fixed asset funds		40,222,695	37,188,233
- Restricted income funds		3,724,810	3,149,645
- Pension reserve		(23,643,000)	(15,489,000)
<b>Total restricted funds</b>		20,304,505	24,848,878
<b>Unrestricted income funds</b>	19	153,097	123,948
<b>Total funds</b>		20,457,602	24,972,826

The accounts on pages 31 to 60 were approved by the trustees and authorised for issue on 08 December 2021 and are signed on their behalf by:



M Emly  
Chair

Company Number 11403922

# ESTEEM MULTI-ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	22	1,896,706		2,306,164	
Cash funds transferred on conversion		-		6,651	
		<u>1,896,706</u>		<u>2,312,815</u>	
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		664		2,985	
Capital grants from DfE Group		2,053,714		1,345,914	
Capital funding received from sponsors and others		128,542		15,494	
Purchase of tangible fixed assets		(4,001,774)		(920,539)	
<b>Net cash (used in)/provided by investing activities</b>		<u>(1,818,854)</u>		<u>443,854</u>	
<b>Cash flows from financing activities</b>					
New government loans		196,004		205,364	
Repayment of government loans		(12,627)		-	
<b>Net cash provided by financing activities</b>		<u>183,377</u>		<u>205,364</u>	
<b>Net increase in cash and cash equivalents in the reporting period</b>		<u>261,229</u>		<u>2,962,033</u>	
Cash and cash equivalents at beginning of the year		5,897,508		2,935,475	
<b>Cash and cash equivalents at end of the year</b>		<u><u>6,158,737</u></u>		<u><u>5,897,508</u></u>	

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 Income

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

##### Grants

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

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

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

##### Sponsorship income

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

##### Donations

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

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 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.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

### 1.5 Tangible fixed assets and depreciation

Assets costing £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 2021

### 1 Accounting policies

(Continued)

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

Freehold buildings	50 years straight line
Long leasehold buildings	50 years straight line
Long leasehold land	Life of lease
Computer equipment	3 to 5 years straight line
Fixtures, fittings & equipment	5 years straight line
Motor vehicles	3 years straight line

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 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.

##### 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.

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Taxation

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

##### 1.11 Pensions benefits

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

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

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

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

##### 1.12 Fund accounting

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

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.

##### 1.13 Redundancy and termination payments

Redundancy and termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.14 Agency arrangement

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds.

The funds received and paid and any balances held are disclosed in note 28.

### 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 21, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The trustees have established that there are no critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	2,025,434	2,025,434	1,447,156
Other donations	-	181,094	181,094	22,619
	-	2,206,528	2,206,528	1,469,775

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	12,063,943	12,063,943	10,945,186
Other DfE / ESFA grants:				
UFSM	-	56,690	56,690	36,764
Pupil premium	-	685,699	685,699	543,155
Start up grants	-	-	-	25,000
Others	-	958,949	958,949	963,676
	-	13,765,281	13,765,281	12,513,781
<b>Other government grants</b>				
Local authority grants	-	12,875,844	12,875,844	12,046,671
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catchup premium	-	298,080	298,080	-
Other DfE/ESFA COVID-19 funding	-	92,828	92,828	-
	-	390,908	390,908	-
Other incoming resources	-	130,638	130,638	160,671
<b>Total funding</b>	-	27,162,671	27,162,671	24,721,123

The academy received £298,080 of funding for catch-up premium which was spent in full during the year.

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	-	67,596	67,596	42,216
Catering income	3,126	-	3,126	3,310
Insurance claim income	-	87,839	87,839	76,128
Other income	18,884	-	18,884	19,600
	22,010	155,435	177,445	141,254

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	664	-	664	2,985

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	18,208,260	664,381	1,572,465	20,445,106	19,339,726
- Allocated support costs	5,414,198	1,413,259	1,338,454	8,165,911	7,233,380
	23,622,458	2,077,640	2,910,919	28,611,017	26,573,106

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	23,000	23,000
- Other services	7,600	7,600
- Other assurance	3,300	3,300
Operating lease rentals	163,127	117,176
Depreciation of tangible fixed assets	805,728	706,177
Net interest on defined benefit pension liability	284,000	265,000

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	-	20,445,106	20,445,106	19,339,726
<b>Support costs</b>				
Educational operations	22,010	8,143,901	8,165,911	7,233,380
	22,010	28,589,007	28,611,017	26,573,106

### Analysis of support costs

	2021 £	2020 £
Support staff costs	5,485,782	4,647,784
Depreciation	141,347	109,424
Technology costs	263,824	32,308
Premises costs	1,271,912	1,130,782
Legal costs	31,626	24,459

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities	(Continued)	
Other support costs	922,022	1,250,075
Governance costs	49,398	38,548
	<u>8,165,911</u>	<u>7,233,380</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	16,002,121	14,571,716
Social security costs	1,437,073	1,302,544
Pension costs	5,601,434	4,946,994
Staff costs - employees	<u>23,040,628</u>	<u>20,821,254</u>
Agency staff costs	317,802	411,278
Staff restructuring costs	264,028	394,218
	<u>23,622,458</u>	<u>21,626,750</u>
Staff development and other staff costs	198,911	121,458
Total staff expenditure	<u><u>23,821,369</u></u>	<u><u>21,748,208</u></u>
Staff restructuring costs comprise:		
Redundancy payments	109,475	150,908
Severance payments	64,375	-
Other restructuring costs	90,178	243,310
	<u>264,028</u>	<u>394,218</u>

Other restructuring costs include payments in lieu of notice and early retirement pension charges.

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £64,375 (2020: £nil). Individually, the payments were: £10,500, £15,000, £16,375 and £22,500.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Staff

(Continued)

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	151	147
Administration and support	604	554
Management	15	15
	<u>770</u>	<u>716</u>

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	6	7
£70,001 - £80,000	5	3
£80,001 - £90,000	3	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
	<u>16</u>	<u>13</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,522,708 (2020: £1,254,372).

### 10 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 at a flat rate of 5% (2020: 4%).

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Central services

(Continued)

The amounts charged during the year were as follows:

	2021 £	2020 £
Amber Valley and Erewash Support Centre	119,308	93,636
Bennerley Fields School	106,926	82,141
Elmsleigh Infant & Nursery School	67,981	21,469
The Fountains High School	164,770	120,213
The Fountains Primary School	146,302	90,630
Holbrook School for Autism	212,152	158,190
North East Derbyshire Support Centre	92,263	71,300
Peak School	97,528	71,910
South Derbyshire Support Centre	27,875	30,173
St Clare's School	118,319	80,000
Stanton Vale School	121,813	93,491
	<u>1,275,237</u>	<u>913,153</u>

During the year schools are entitled to spend all of the funds they are in receipt of, less the top-slice charge, which is used to provide a budget for central services for the Trust. Any surplus funds remaining at the end of the year are pooled into the single Trust reserve. Reserves that are over and above the required minimum level can be allocated against capital projects at any of the schools subject to formal appraisal and approval through the Trusts capital panel process. These reserves are separate from the central services budget.

### 11 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 their roles as staff members under their contracts of employment, and not in respect of their services as trustees.

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

I Van Arkadie (Staff trustee):

Remuneration £45,000 - £50,000 (2020: £45,000 - £50,000)

Employers' pension contributions paid £10,000 - £15,000 (2020: £10,000 - £15,000)

During the period ended 31 August 2021, no trustees were reimbursed or paid directly for expenses during the year (2020: £89 of travel expenses were reimbursed or paid directly to 1 trustee).

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

### 12 Trustees' and officers' insurance

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

# **ESTEEM MULTI-ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2021**

### **13 Tangible fixed assets**

	Freehold land & buildings	Long leasehold land & buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 September 2020	7,588,512	28,811,181	1,114,735	306,919	190,812	-	38,012,159
Transfers	717,686	2,658,375	(3,376,061)	-	-	-	-
Additions	358,954	438,041	2,921,810	104,976	102,962	52,485	3,979,228
At 31 August 2021	8,665,152	31,907,597	660,484	411,895	293,774	52,485	41,991,387
<b>Depreciation</b>							
At 1 September 2020	235,045	906,280	-	136,159	30,542	-	1,308,026
Charge for the year	135,603	528,778	-	103,474	36,998	875	805,728
At 31 August 2021	370,648	1,435,058	-	239,633	67,540	875	2,113,754
<b>Net book value</b>							
At 31 August 2021	8,294,504	30,472,539	660,484	172,262	226,234	51,610	39,877,633
At 31 August 2020	7,353,467	27,904,901	1,114,735	170,760	160,270	-	36,704,133

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

(Continued)

Included in freehold land and buildings is land at valuation of £1,525,000 (2020: £1,525,000), which is not depreciated.

The properties classified as freehold land and buildings relate 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, Elmsleigh Infant & Nursery 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 30 and 40 year lease arrangements 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 other than those transferred on conversion.

### 14 Stocks

	2021 £	2020 £
Stock	3,562	4,594

### 15 Debtors

	2021 £	2020 £
Trade debtors	394,211	35,922
VAT recoverable	226,998	186,566
Prepayments and accrued income	760,529	658,949
	<u>1,381,738</u>	<u>881,437</u>

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Government loans	57,883	11,896
Trade creditors	315,247	599,254
Other taxation and social security	334,912	298,614
Other creditors	387,221	360,183
Accruals and deferred income	1,750,856	1,412,628
	<u>2,846,119</u>	<u>2,682,575</u>



# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Creditors: amounts falling due within one year

(Continued)

Included within government loans is the portion of the long term SALIX and CIF loan which falls due within the following year. The terms of the loan have been discussed in more detail in note 17.

### 17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Government loans	474,949	343,271
	<u>474,949</u>	<u>343,271</u>
<b>Analysis of loans</b>	<b>2021 £</b>	<b>2020 £</b>
Not wholly repayable within five years by instalments	289,406	176,313
Wholly repayable within five years	243,426	178,854
	<u>532,832</u>	<u>355,167</u>
Less: included in current liabilities	(57,883)	(11,896)
	<u>(57,883)</u>	<u>(11,896)</u>
Amounts included above	474,949	343,271
	<u>474,949</u>	<u>343,271</u>
<b>Loan maturity</b>		
Debt due in one year or less	57,883	11,896
Due in more than one year but not more than two years	57,883	52,009
Due in more than two years but not more than five years	127,662	114,951
Due in more than five years	289,404	176,311
	<u>532,832</u>	<u>355,167</u>

Included within government loans is the long term portion of the following loans:

£88,774 (2020: £49,967) from SALIX; a not for profit organisation funded by The Department of Energy and Climate change. The loans are interest free loans with repayments to be made twice a year for 8 years until the loan is fully repaid.

£444,058 (2020: £305,200) from the ESFA; these loans have an interest rate of 2.29% with repayments to be made monthly for 10 years until the loan is fully repaid.

### 18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	430,141	86,199
	<u>430,141</u>	<u>86,199</u>

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Deferred income

(Continued)

Deferred income at 1 September 2020	86,199	47,624
Released from previous years	(86,199)	(47,624)
Resources deferred in the year	430,141	86,199
<b>Deferred income at 31 August 2021</b>	<b>430,141</b>	<b>86,199</b>

At the balance sheet date, the academy trust was holding revenue grant funding of £430,141 (2020: £86,199) received in advance relating to the upcoming financial year.

### 19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,149,645	12,063,943	(9,826,486)	(1,662,292)	3,724,810
UIFSM	-	56,690	(56,690)	-	-
Pupil premium	-	685,699	(685,699)	-	-
Other DfE / ESFA grants	-	958,949	(958,949)	-	-
Other government grants	-	12,875,844	(12,875,844)	-	-
Catch-up premium	-	298,080	(298,080)	-	-
Other DfE/ESFA COVID-19 funding	-	92,828	(92,828)	-	-
Other restricted funds	-	314,703	(314,703)	-	-
Pension reserve	(15,489,000)	-	(2,674,000)	(5,480,000)	(23,643,000)
	(12,339,355)	27,346,736	(27,783,279)	(7,142,292)	(19,918,190)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	34,263,673	-	(645,873)	-	33,617,800
DfE group capital grants	2,650,248	2,025,434	(99,120)	(55,494)	4,521,068
Capital expenditure from GAG	269,494	-	(57,368)	1,738,463	1,950,589
Local authority capital grants	-	123,922	-	-	123,922
Private sector capital sponsorship	4,818	28,542	(3,367)	(20,677)	9,316
	37,188,233	2,177,898	(805,728)	1,662,292	40,222,695
<b>Total restricted funds</b>	<b>24,848,878</b>	<b>29,524,634</b>	<b>(28,589,007)</b>	<b>(5,480,000)</b>	<b>20,304,505</b>
<b>Unrestricted funds</b>					
General funds	123,948	51,159	(22,010)	-	153,097
<b>Total funds</b>	<b>24,972,826</b>	<b>29,575,793</b>	<b>(28,611,017)</b>	<b>(5,480,000)</b>	<b>20,457,602</b>

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

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

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

#### **General Annual Grant**

The General Annual Grant (GAG) fund has been spent in line with the terms of the Master Funding Agreement. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit of the amount of GAG that it could carry forward at 31 August 2021.

#### **UFSM**

The Universal Infant Free School Meals funding is to provide free school meals for all infant pupils.

#### **Pupil Premium**

Pupil Premium is funding for the academy to support its disadvantaged pupils and close the attainment gap between them and their peers.

#### **Other DfE/EFA grants**

This includes the PE and sports grant, Teachers Pay Grant and Teachers Pension Grant.

The PE and sports grant is funding received to support the sporting facilities of the academy trust.

The Teachers Pay Grant is funding received to contribute towards increased pension and national insurance costs.

#### **Other government grants**

This includes pupil premium funding and special educational needs funding from Local Authorities.

SEN top-up funding features as a significant element of the trust's revenue, given that most academies are designated special educational needs settings. Each local Authority uses different banding systems for SEN, with different funding packages provided dependent on a child's level of need as defined in their Education Health & Care Plan (or their Statement of Special Educational Needs). SEN funding is largely used to cover human resource costs in the academies for teaching and non-teaching staff, though other services are also funded where a child's personalised plan dictates e.g. Occupational Therapy, Physiotherapy etc.

#### **Catch-up premium**

The catch-up premium funding was made to help children and young people to catch up on missed learning caused by coronavirus.

#### **Other DfE/ESFA COVID-19 funding**

This includes the Mass Testing Grant and Free School Meal additional costs claim.

The Mass Testing Grant is funding to support the rapid coronavirus testing of staff and pupils. The purpose of this was to identify asymptomatic cases of Covid-19.

The Free School Meal additional costs claim is funding to help meet the additional cost of provision to pupils at home during coronavirus (COVID-19) attendance restrictions.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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### 19 Funds

(Continued)

#### **Other restricted funds**

Other restricted funds includes income for hire of facilities, money collected for trips, tuck shops and other educational trading activities which is directly for the benefit of the pupils within the Trust.

The pension reserve held within restricted funds was in deficit by £23,643,000 at 31 August 2021. This does not mean that an immediate liability for this amount crystallises. The deficit pension will result in a cash flow effect for the academy trust in the form of employer's pension contributions as assessed by the actuary.

#### **Restricted fixed asset fund**

Restricted fixed assets funds are resources which are 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.

A total of £76,171 (2020 - £101,662) has been transferred from the restricted fixed asset fund to restricted funds to cover the cost of capital work which did not meet the recognition criteria to be classified as an asset.

A total of £1,738,463 has been transferred from restricted funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction (2020: 274,222)

#### **Unrestricted funds**

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

During the year a further £28,485 of transfer on conversion funds was received in relation to North East Derbyshire Support Centre. The academy converted in 2019/20 however it was identified during the year that the trust hadn't received all the funding it should have been entitled to. This was subsequently received in the 2020/21 academic year.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	806,135	10,945,186	(8,429,116)	(172,560)	3,149,645
Start up grants	-	25,000	(25,000)	-	-
UIFSM	-	36,764	(36,764)	-	-
Pupil premium	-	543,155	(543,155)	-	-
Other DfE / ESFA grants	-	963,676	(963,676)	-	-
Other government grants	-	12,046,671	(12,046,671)	-	-
Other restricted funds	1,366,497	309,050	(1,675,547)	-	-
Pension reserve	(12,602,000)	(1,043,000)	(2,147,000)	303,000	(15,489,000)
	<u>(10,429,368)</u>	<u>23,826,502</u>	<u>(25,866,929)</u>	<u>130,440</u>	<u>(12,339,355)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	33,240,427	1,675,000	(651,754)	-	34,263,673
DfE group capital grants	1,343,773	1,447,156	(49,695)	(90,986)	2,650,248
Capital expenditure from GAG	-	-	(4,728)	274,222	269,494
Private sector capital sponsorship	-	15,494	-	(10,676)	4,818
	<u>34,584,200</u>	<u>3,137,650</u>	<u>(706,177)</u>	<u>172,560</u>	<u>37,188,233</u>
<b>Total restricted funds</b>	<u>24,154,832</u>	<u>26,964,152</u>	<u>(26,573,106)</u>	<u>303,000</u>	<u>24,848,878</u>
<b>Unrestricted funds</b>					
General funds	<u>132,835</u>	<u>(8,887)</u>	<u>-</u>	<u>-</u>	<u>123,948</u>
<b>Total funds</b>	<u>24,287,667</u>	<u>26,955,265</u>	<u>(26,573,106)</u>	<u>303,000</u>	<u>24,972,826</u>

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

#### Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Amber Valley and Erewash Support Centre	-	60,037
Bennerley Fields School	-	581,704
Elmsleigh Infant & Nursery School	-	(30,483)
The Fountains High School	-	581,198
The Fountains Primary School	-	610,608
Holbrook School for Autism	-	647,030
North East Derbyshire Support Centre	-	164,985
Peak School	-	(10,862)
South Derbyshire Support Centre	-	471,301
St Clare's School	-	497,061
Stanton Vale School	-	(276,581)
Central services	3,877,907	(22,405)
Total before fixed assets fund and pension reserve	3,877,907	3,273,593
Restricted fixed asset fund	40,222,695	37,188,233
Pension reserve	(23,643,000)	(15,489,000)
Total funds	20,457,602	24,972,826

As described in the trustees' report at the start of the financial year, the board of trustees made the decision that the school general restricted and unrestricted reserves were to be pooled into a single Trust reserve (noted as central services above) to allow for allocation of expenditure.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 19 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 2021 £	Total 2020 £
Amber Valley and Erewash Support Centre	1,251,483	118,798	330,120	186,248	1,886,649	2,152,541
Bennerley Fields School	1,513,866	140,384	27,004	193,856	1,875,110	1,888,251
Elmsleigh Infant & Nursery School	1,109,025	203,365	29,740	177,027	1,519,157	608,181
The Fountains High School	2,529,669	359,407	140,294	217,018	3,246,388	2,904,148
The Fountains Primary School	2,101,547	353,651	125,752	272,016	2,852,966	2,349,276
Holbrook School for Autism	2,906,809	475,354	85,834	397,622	3,865,619	3,780,570
North East Derbyshire Support Centre	1,018,954	68,521	129,320	167,087	1,383,882	1,537,495
Peak School	1,611,141	312,897	24,804	179,226	2,128,068	1,919,163
South Derbyshire Support Centre	402,865	48,966	29,173	47,470	528,474	579,569
St Clare's School	1,713,305	240,496	43,904	239,411	2,237,116	2,044,959
Stanton Vale School	1,434,702	404,994	48,558	193,978	2,082,232	2,474,346
Central services	711,029	2,790,142	15,632	682,824	4,199,627	3,628,430
	<u>18,304,395</u>	<u>5,516,975</u>	<u>1,030,135</u>	<u>2,953,783</u>	<u>27,805,288</u>	<u>25,866,929</u>

The LGPS pension costs in relation to Esteem Multi-Academy Trust, Amber Valley and Erewash Support Centre, Bennerley Fields School, Elmsleigh Infant & Nursery 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 2021

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	39,877,633	39,877,633
Current assets	153,097	5,475,054	1,915,886	7,544,037
Creditors falling due within one year	-	(1,750,244)	(1,095,875)	(2,846,119)
Creditors falling due after one year	-	-	(474,949)	(474,949)
Defined benefit pension liability	-	(23,643,000)	-	(23,643,000)
<b>Total net assets</b>	<b>153,097</b>	<b>(19,918,190)</b>	<b>40,222,695</b>	<b>20,457,602</b>
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	36,704,133	36,704,133
Current assets	123,948	4,759,786	1,899,805	6,783,539
Creditors falling due within one year	-	(1,610,141)	(1,072,434)	(2,682,575)
Creditors falling due after one year	-	-	(343,271)	(343,271)
Defined benefit pension liability	-	(15,489,000)	-	(15,489,000)
<b>Total net assets</b>	<b>123,948</b>	<b>(12,339,355)</b>	<b>37,188,233</b>	<b>24,972,826</b>

### 21 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £514,465 were payable to the schemes at 31 August 2021 (2020: £341,324) 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.



# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 21 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,587,085 (2020: £1,492,844).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.6% to 27.2% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to employees of the academy trust, being the employees transferred as part of the conversion from 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.

As described in note the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school 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 the 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.

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations (Continued)

Total contributions made	2021 £	2020 £
Employer's contributions	1,626,000	1,749,000
Employees' contributions	499,000	441,000
Total contributions	2,125,000	2,190,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.5	2.8
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021 Years	2020 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	23.7
Retiring in 20 years		
- Males	22.5	22.4
- Females	25.8	25.1

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

	2021 £'000	2020 £'000
Discount rate + 0.5%	1,302	4,878
Discount rate - 0.5%	(1,302)	(4,878)
Salary rate + 0.5%	(162)	(689)
Salary rate - 0.5%	162	689
Pension rate + 0.5%	(1,119)	(4,085)
Pension rate - 0.5%	1,119	4,085

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations

(Continued)

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

	2021 Fair value £	2020 Fair value £
Equities	16,864,000	12,485,000
Bonds	5,573,000	4,382,000
Property	1,775,000	1,574,000
Other assets	1,139,000	1,234,000
Total market value of assets	<u>25,351,000</u>	<u>19,675,000</u>

The actual return on scheme assets was £3,714,000 (2020: £(10,000)).

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	4,016,000	3,500,000
Past service cost	-	131,000
Interest income	(350,000)	(345,000)
Interest cost	634,000	610,000
Total operating charge	<u>4,300,000</u>	<u>3,896,000</u>

#### Changes in the present value of defined benefit obligations

	2021 £
At 1 September 2020	35,164,000
Current service cost	4,016,000
Interest cost	634,000
Employee contributions	499,000
Actuarial loss	8,844,000
Benefits paid	(163,000)
At 31 August 2021	<u>48,994,000</u>

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations (Continued)

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

	2021 £
At 1 September 2020	19,675,000
Interest income	350,000
Actuarial (gain)/loss	3,364,000
Employer contributions	1,626,000
Employee contributions	499,000
Benefits paid	(163,000)
At 31 August 2021	25,351,000

### 22 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	964,776	382,159
Adjusted for:		
Net surplus on conversion to academy	(28,485)	(620,128)
Capital grants from DfE and other capital income	(2,177,898)	(1,462,650)
Investment income receivable	(664)	(2,985)
Defined benefit pension costs less contributions payable	2,390,000	1,882,000
Defined benefit pension scheme finance cost	284,000	265,000
Depreciation of tangible fixed assets	805,728	706,177
Decrease in stocks	1,032	19,314
(Increase)/decrease in debtors	(510,371)	544,805
Increase in creditors	140,103	610,995
Stocks, debtors and creditors transferred on conversion	28,485	(18,523)
<b>Net cash provided by operating activities</b>	<b>1,896,706</b>	<b>2,306,164</b>

### 23 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	Other non- cash changes £	31 August 2021 £
Cash	5,897,508	261,229	-	6,158,737
Loans falling due within one year	(11,896)	(45,987)	-	(57,883)
Loans falling due after more than one year	(343,271)	(137,390)	5,712	(474,949)
	<u>5,542,341</u>	<u>77,852</u>	<u>5,712</u>	<u>5,625,905</u>

# ESTEEM MULTI-ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 24 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	123,673	103,535
Amounts due in two and five years	158,586	139,888
Amounts due after five years	-	973
	<u>282,259</u>	<u>244,396</u>

#### 25 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	<u>1,435,580</u>	<u>2,924,794</u>

£166,152 (2020: £2,041,215) of the above expenditure is funded by Condition Improvement Funding. The remainder will be funded from other reserves including School Condition Allocation.

#### 26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions 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.

H Longley, the spouse of G Longley, a member (previously a 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.

#### 27 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 2021***

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### **28 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the academy trust received £6,000 (2020: £13,200) and disbursed £2,710 (2020: £2,719) from the fund. An amount of £13,771 (2020: £10,481) is included in other creditors relating to undistributed funds that is repayable to the ESFA.