

STAR ACADEMY TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

for the year ended

31 August 2021

COMPANY REGISTRATION NUMBER: 10131046
(ENGLAND AND WALES)



STAR ACADEMY TRUST LIMITED

Annual Report and Financial Statements Year ended 31 August 2021

Contents	Page
Reference and Administrative Details	1
Trustees' Report	2-11
Governance Statement	12-15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18-21
Independent Reporting Accountant's Report on Regularity	22-23
Consolidated Statement of Financial Activities Incorporating Income & Expenditure Account	24-25
Balance Sheets	26
Consolidated Statement of Cash Flows	27
Notes to the Financial Statements including Accounting Policies	28-45

STAR ACADEMY TRUST LIMITED

Reference and administrative details of the academy, governors and advisers Year ended 31 August 2021

Members:	J Mann C Hartley (Resigned 5 July 2021) I McGregor T Manson (Appointed 1 February 2021) P Uttley (Appointed 1 February 2021) P Morgan (Appointed 1 February 2021)
Trustees:	J Mann (Chair of Trustees & Finance Director) C Hartley (Operations Director) (Resigned 5 July 2021) J Gilchrist (Director of Strategy) J Wootton (HR Director) S Dyson (CEO, Accounting Officer & Principal) R Foreman (Commercial Director)
Senior Management Team:	CEO, Accounting Officer & Principal - S Dyson CFO - M Smith
Company Name	Star Academy Trust Limited
Principal and Registered Office:	Highfields Academy Cumberland Avenue Nantwich Cheshire CW5 6HA
Company Registration Number:	10131046 (England and Wales)
Independent Auditor:	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU
Bankers:	Lloyds Bank plc 13 Victoria Street Crewe CW1 2JQ
Solicitors:	Poole Alcock 22 Barker Street Nantwich CW5 5TE

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

The trustees present their annual report together with the accounts and auditor's report of the charitable company and the group for the year 1 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 academy trust operates 1 primary academy in England. The academy has a pupil capacity of 244 (including preschool) and had a roll of 254 (including preschool) in the school census on 20.5.2021.

Structure, governance and management

Constitution

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

The charitable company operates as Star Academy Trust, which includes Highfield Academy.

The trustees of Star Academy Trust Limited are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they ceased 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 Academy Trust maintains Directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. The Academy Trust has also granted indemnities to each of its Directors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Directors or other officers may incur to third parties in the course of acting as Directors or officers of the Academy Trust.

Method of recruitment and appointment of new trustees and governors

Under the terms of its Articles:

- The members may appoint by ordinary resolution up to 10 Trustees.
- The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- The Trustees have appointed a Local Advisory Board, which includes a minimum of two parents.
- The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees.
- The Trust has engaged the services of Academy Ambassadors in order to recruit Trustees. Three members of our current Board have been recruited through this organisation.

STAR ACADEMY TRUST LIMITED

Trustees' Report

Year ended 31 August 2021

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees depends on their previous experience. All potential new Trustees are given a tour of the school by the Principal and the Chair of Trustees, and the chance to meet with staff and pupils. If following this they remain interested in becoming a trustee, and the Principal and Chair are in agreement that they have the necessary skill set required then a proposal is put to the Board of Trustees, along with a CV. All new Trustee appointments are subject to DBS checks and Section 128 checks. New Trustees are formally appointed by the Board of Trustees.

Members are also able to appoint new Trustees. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee. New Trustees attend an Induction and have access to a full programme of courses which they will choose to attend, based on their role and experience. All new trustees are also asked to attend a meeting of the Local Advisory Board.

Organisational structure

The organisational structure consists of three levels: the Trustees, the Local Advisory Board and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Members are similar to a company's shareholders - they sit above the board of trustees in an academy trust and have a largely hands-off role. Their key responsibilities include setting the vision and ethos of the Trust, appointing the trustees and holding them to account for the successful governance of the trust.

The Trustees are responsible for setting the scheme of delegation on an annual basis. This document makes clear how responsibilities are delegated to various levels. The document is available to all members of the Board of Trustees, LAB and staff and is published on the Trust website. The Trustees are also responsible for ensuring that the strategic vision for the trust is embedded in practice. They are responsible for developing and approving an annual improvement plan, setting the budget, monitoring the use of public money in line with the agreed budget ensuring that best value principles are adhered to, and for making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Local Advisory Board are delegated responsibilities by the Board of Directors as stated in the scheme of delegation. These responsibilities include monitoring how budgets and premiums are spent and the impact they have on educational outcomes, ensuring that a broad and balanced curriculum is implemented, implementing general policies including behavior, acting as the Admissions panel, setting term times and length of the school day, ensuring that statutory requirements around safeguarding of pupils, provision for pupils with SEN(D) and the school website are in place. It is also a key role of the Local Advisory Board to hold the Board of Directors to account for the decisions that are made.

The Senior Leadership Team comprises the Principal, Chief Financial Officer, Vice-Principal, SENDCO, School Business Manager and Senior Teacher. These leaders control the Academy at an executive level, implementing the policies laid down by the Directors and Local Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees, the LAB, and senior leadership team as disclosed on the Reference and Administrative page.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board of Trustees, after taking advice from the Principal and following guidance from the relevant professional pay review bodies. The Principal is not involved in setting their own remuneration package.

Only staff trustees, including the Principal, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as Trustees. Specific disclosures concerning staff trustees' remuneration is included in notes to the financial statements.

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

Arrangements for setting pay and remuneration of key management personnel (*continued*)

The day to day running of the remuneration policy is delegated to the Principal and monitored by the finance committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. External advice is always sought when appraising the Principal and agreeing pay increments. Senior leadership salaries are linked closely to pay spines recommended by the School teachers' pay and conditions document (STPCD), helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as performance, length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior leadership personnel never exceeds a reasonable amount that provide value for money to the trust. The performance of senior leadership personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in the notes to the financial statements.

Trade Union Facility Time

The trust did not have more than 49 FTE employees during any 7 month period during the year.

Related parties and other connected charities and organisations

Within Star Academy Trust Limited a subsidiary company has been formed, Star Academy Trading Ltd. The financial statements for Star Academy Trading Ltd are consolidated within these financial reports. This company is used to facilitate traded services, private sessions for preschool children and holiday clubs. There are no other third party relations, with the exception of the Friends of Highfields, who are registered as a charity and raise funds for the academy through community events.

Impact of Covid 19

All meetings of the members, trustees and LAB have continued to take place through the virtual environment of MS Teams.

Network meetings with other schools and organisations have continued to take place through the virtual environment of MS Teams.

The work of the Friends of Highfields (PTA) has continued but has been very limited due to not being able to hold community events such as the Christmas and Summer fayres and other fundraising events.

Governor monitoring visits have been impacted as governors have not been able to attend the school. These will commence in the Autumn term of 2021. This has also impacted in other ways, for example, credit card checks.

Objectives and activities

Objects and aims

The Academy Trust's objects are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing the Academy, by offering a broad and balanced curriculum.

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

Objectives, strategies and activities

Due to Covid-19 the Strategic School Development Plan for 2020/21 was replaced by the School Recovery Plan. The priorities identified were:

Pupils	Priority one: ensure that all pupils feel happy, secure and safe.
Staff	Priority two: Staff to feel happy, secure and safe in school and to be supported in delivering quality remote education along with on-site learning.
Curriculum	Priority three: Establish gaps in learning in Reading, Writing and Mathematics and utilise catch-up funding effectively to close these gaps. Priority four: Curriculum review to ascertain gaps in learning in all foundation subjects and how we will be able to fill these. Priority five: Ensure high quality remote education is available to and accessed by pupils where necessary.
Financial	Priority six: To return the school to the sound financial position we were in prior to Covid-19.
Leadership	Priority seven: To continue to pursue joining a MAT, or merging with an existing MAT

Priority 1	Attendance at school has remained high. Additional non-contact time has been provided for a suitably qualified teacher to provide pastoral / mental health support to pupils where we feel this is required.
Priority 2	Teaching staff have received support and training in delivering remote learning; this is now fully embedded in all year groups. Staff have been supported to work from home where this has been necessary. By the end of the year all staff returned to working on-site.
Priority 3	A comprehensive catch up plan was implemented following assessment in September, and again in March once school reopened. This will need to be regularly reviewed and continued in the coming year.
Priority 4	This will need to be continued in the coming year as gaps in learning in the Foundation subjects are still apparent. Focused training on subject leadership will be implemented in the Autumn term of 2021.
Priority 5	Remote learning has been implemented successfully across all year groups. Participation in this was high. The school was able to provide ICT hardware to identified pupils where access to equipment would have been a barrier to engagement.
Priority 6	The in-year financial position for the reporting period was positive and the reserves of the trust have improved slightly. A 3 year financial recovery plan has been implemented in order to build reserves back to levels agreed in policy. We have also requested support from an SRMA and this visit will take place early into the Autumn term of 2021/22.
Priority 7	The trust is in formal discussions with an established MAT and is entering into the due diligence process with a view to joining the MAT within the next 12 months.

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

Objectives, strategies and activities (continued)

Impact of Covid 19

Trustees and Governors have maintained effective support and challenge for the academy through virtual meetings. Volunteers have not been permitted to work in school and this has had a detrimental impact on the support of pupils. We aim to reintroduce this in the Autumn term of 2021.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

The charitable company's aims, activities and achievements as set out in this report are and have been undertaken in the furtherance of charitable objectives for public benefit.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission and have observed the guidance in deciding what activities the charitable company should undertake.

Highfields Academy is an Academy converter catering for children aged 2 to 11 and strives to promote and support the advancement of education within the Nantwich area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example:

- The Academy works closely and in partnership with Malbank School, Brine Leas School and all primary schools and academies within the Nantwich footprint to meet local needs and address local priorities.
- The Academy plays a leading role in several local initiatives, for example: Initial Teacher Training.
- The school fully embraces local partnerships and projects to deliver and promote high quality provision in all curriculum areas. Examples of such partnerships are: The Crewe and Nantwich Sports Partnership, SEN cluster group, Bursar Cluster group, Headteacher cluster group, Early Years cluster group.
- The Academy regularly works with local organisations and businesses for example: The Rotary Club, local churches, Sainsburys, other providers of Higher Education.
- The Academy also aims to support community groups by renting its facilities. Over the last 12 months local music groups and exercise classes have used the school facilities on a regular basis.

Strategic report

Achievements and performance

Achievements and Performance: Key Stage 2:

Due to Covid-19 the school does not have any external and validated data to present for this academic year. Based on Teacher Assessment:

Subject	Percentage of pupils achieving the expected standard (national figures from 2019 in brackets)	Percentage of pupils achieving the greater depth standard (national figures from 2019 in brackets)
Reading	77% (73%)	30% (27%)
Writing	70% (78%)	10% (20%)
Mathematics	80% (79%)	30% (27%)
Combined (all three subjects)	63% (65%)	7% (11%)

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

Achievements and performance (continued)

Impact of Covid 19

Despite the impact of Covid-19 on this cohort attainment in reading and mathematics was good at both expected and greater depth standard. Attainment in writing was lower than in reading and writing and was below the most recent national data that is available (2019). It should be noted that the national data that we are comparing our performance against was pre-covid as no national validated data has been available for the last 2 years.

Key performance indicators

KPI	Benchmark	School (2021)
Numbers on roll (main school)	210	214
Percentage Occupancy in preschool (average of year)	90%	66%
OFSTED rating	Minimum Good	Good
KS2 academic performance (RWM combined at expected level)	>65%	No external data due to Covid-19
KS1 academic performance (RWM combined at expected level)	>65%	No external data due to Covid-19
Foundation stage academic performance (% achieving GLD)	>72%	No external data due to Covid-19
Pupil to teacher ratio	24	26.1 NB: includes all teaching staff with the exception of HT
Pupil to adult ratio	10-11	10-11 NB: Based on number of pupils in main school and includes all staff with the exception of preschool staff.
Teacher contact ratio	0.78 – 0.80	0.8 NB: Does not include HT
Average teacher cost	37k – 47k	£41,685 (inc HT) £39,067 (not inc HT)
Average class size	28-30	30.6
Total teaching staff costs as a percentage of total revenue income	40-50%	41.4% NB: Includes HT and calculated on all income
Curriculum staff costs as a percentage of total revenue income	12-17%	14.5% (main school) 22.1% (inc preschool)
Non Curriculum staff costs as a percentage of total revenue income	5 – 9%	8.6% (inc preschool)
Total staff costs as a percentage of total revenue income	73 – 78%	79%
Leadership costs as a percentage of total revenue income	9 – 14%	11.5% NB: Includes HT, CFO, SBM SENDCO and Preschool manager

Going concern

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

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

Impact of Covid 19

In the previous reporting period the academy's potential to self-generate income through activities such as before/after school clubs, holiday clubs and private preschool sessions was impacted significantly. This has been far less impacting during the current reporting period and this will hopefully continue to be the case.

Financial review

Most of the Trust's income is obtained from the DfE in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year and the associated expenditure are shown as restricted funds in the statements of financial activities. The principal accounting policies adopted during the year are detailed in the notes to the financial statements.

During the year ended 31 August 2021, total expenditure of £1,352,000 (2020: £1,417,000) was covered by grant funding from the DfE together with other incoming resources and reserves carried forward. The excess of income over expenditure (excluding actuarial losses on the defined benefit pension scheme) was £67,000 (2020: expenditure over income of £92,000).

As at the 31st August 2021, the net book value of fixed assets was £2,492,000 (2020: £2,350,000), including the value of the land and building which are lease on a 125-year lease. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

Reserves policy

The trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to two month's cost, approximately £180,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed. The trust's reserves have fallen below our target levels this year due to the impact of Covid-19. We estimate that it will take 2 years to restore reserves to our targeted level.

The group has overall reserves of £1,782,000 (2020: £1,877,000), included within is restricted general reserves (excluding pension & fixed asset reserves) of £NIL (2020: £NIL) and unrestricted reserves of £89,000 (2020: £92,000). The total free reserves (excluding pension & fixed asset reserves) amounts to £34,000 (2020: £21,000).

The pension scheme liability as at 31st August 2021 was £809,000 (2020: £583,000). The vast majority of the movement of the pension scheme liability is due to actuarial assumptions and does not have a direct cash impact.

Impact of Covid-19 on Reserves

The Trust's reserves were significantly negatively impacted during the prior reporting period 2019-2020. This was predominantly due to the limited opportunities to generate additional funds through activities such as before/after school provision, holiday clubs and additional preschool sessions. A financial recovery plan was put in place, with the aim of returning the reserves to our policy position over a five year period. The reserves position has improved during the current reporting period and this is expected to continue in line with the financial recovery plan in future years.

STAR ACADEMY TRUST LIMITED

Trustees' Report

Year ended 31 August 2021

Investment policy

The Trust was formed on the 1st September 2016 and as such has not yet gained any significant investment reserve, nor it is likely to do for the foreseeable future.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with the appropriate action and management points:

- Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- Decline in Educational Performance and results.
- A poor OFSTED inspection.
- Key staff leaving the organisation.
- Long term absence of staff.
- Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.
- Impact of Covid-19.

The Academy has created additional revenue streams through the addition of a pre-school, traded service and before / after school club. It is projected that these will benefit the overall financial position of the Trust, finances related to these activities will be reviewed in all Directors meetings to ensure that the projected revenues are realised.

Any further diminution in the funding from the ESFA, particularly grants that are issued to support pay and pension increases will inevitably lead to reduction in staff that will in turn potentially impact upon standards.

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans. Full details are included in the Academy's Risk Register:

- Inability to recruit and retain pupils could lead to not meeting financial targets and impact negatively on following years funding.
- Staff absence and or maternity leave resulting in costly external agency supply.
- Failure to comply with staff related legislative requirements results in litigation.
- Health and Safety of staff, pupils and visitors (especially during building works) which could result in litigation and loss of reputation.
- Adverse media coverage which could impact on numbers on roll and reputation.
- Inadequate access to reliable and timely data which results in inability to track performance and impacts on decision making.
- Educational standards deteriorate which results in loss of reputation – poor Ofsted rating.
- IT Equipment failure in classroom which impacts the quality of the lessons being delivered.
- Failure to maintain constructive employment relations which leads to industrial unrest, high staff turnover and low morale.
- Failure to deliver IT resources to staff to carry out their activities which leads to poor pupil experience and low staff morale.
- Inaccurate income and expenditure reporting resulting in poor decision making.
- Financial Regulations and Financial Procedures are not updated or are not adhered to / understood resulting in breaches of regulations and legal compliance.
- Non achievement of funding and other income targets, for example, Nursery and Kidspace.
- Failure to comply to Funding Agreement.
- Funding cuts in future periods (financial viability) resulting in the school having financial difficulties.
- Funding cuts in future periods giving rise to maintenance not being affordable.
- Reserves that are currently significantly below levels stated in policy.
- Lack of investment in ICT Systems resulting in outdated hardware and the impact on educational needs.

STAR ACADEMY TRUST LIMITED

Trustees' Report Year ended 31 August 2021

- School closure, staff absence, reduction in income and additional costs.
- Continued impact of Covid-19.

The Academy has additional revenue streams through the addition of a pre-school, traded service and before / after school club. It is projected that these will benefit the overall financial position of the Trust. Finances related to these activities will be reviewed in all Directors meetings to ensure that the projected revenues are realised.

Any further diminution in the funding from the ESFA, particularly grants that are issued to support pay and pension increases will inevitably lead to reduction in staff that will in turn potentially impact upon standards.

Impact of Covid 19

The impact of Covid-19 on this reporting period is significantly less than in the previous reporting period and the trust has generated an in-year surplus.

Fundraising

The school is supported by a very active PTA (the Friends of Highfields), who usually organise many events throughout the year to raise additional funds for the school. In addition to this the school run its own before/after school wraparound service and also provide wraparound care during holiday periods which is available to pupils from other schools.

Impact of Covid 19 on Fundraising

The level of funds that the PTA have been able to generate has been significantly impacted due to not being able to organise large community events. We have also restricted access to our holiday club to pupils from our school throughout this reporting period.

Covid Funding

The academy has spent the Covid Catch up funding on increased staffing. We have extended the contract of one of our teachers from 0.4 to 0.6 and utilised this additional day to provide 1:1 and small group interventions to identified pupils. We have also employed an additional teacher for 1 day per week to support the learning of pupils.

Plans for future periods

The priorities in the Strategic School Development Plan / School Recovery Plan for 2021-22 are:

Academic performance:

MP1: To improve the percentage of pupils that achieve age expected standards in reading, writing and maths combined at the end of KS2.

MP2: To increase the percentage of pupils that achieve high standards in writing by the end of KS2.

MP3: To raise progress measures in reading, writing and mathematics in Key Stage 2.

Teaching and Learning:

MP4: To ensure that the new Relationships and Sex Education curriculum is fully embedded.

MP5: To ensure that a nationally recognised and validated scheme of work for Phonics is implemented and embedded.

MP6: To address any gaps in learning in foundation subjects as a result of Covid-19 disruption.

MP7: To provide subject leadership training for all subject leaders and ensure that provision all subjects is of a minimum 'good' standard.

MP8: To carry out a route and branch review of the Insight Tracking system to ensure that it meets our assessment requirements of the new curriculum.

MP9: To improve pupil voice by relaunching the Junior Governors.

Leadership and Management:

MP10: To formally and actively pursue joining an established MAT.

MP11: To increase self-generated funding streams through providing school to school support and consultancy.

STAR ACADEMY TRUST LIMITED

Trustees' Report

Year ended 31 August 2021

Impact of Covid 19

Achievement of this year's objectives could be affected by:

- Partial / Full closure of school
- Significant impact on staffing levels due to Covid-19

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 trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 06/12/2021 and signed on its behalf by:

John Mann

.....
J Mann

Chair of Trustees & Finance Director

STAR ACADEMY TRUST LIMITED

Governance Statement Year ended 31 August 2021

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Star Academy Trust Limited 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 board of trustees has delegated the day-to-day responsibility to the principal, 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 Star Academy Trust Limited and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year.

At all meetings the Board have considered the Financial Monthly Management Reports and provided challenge to the Principal and CFO. HR and response to the pandemic have also been standing agenda items at all meetings.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J Mann (Chair of Trustees & Finance Director)	6	6
C Hartley (Operations Director) (Resigned 5 July 2021)	4	6
J Gilchrist (Director of Strategy)	6	6
J Wootton (HR Director)	6	6
S Dyson (CEO, Accounting Officer & Principal)	6	6
R Foreman (Commercial Director)	4	6

One trustee resigned their position at the end of the reporting year. There have been no other changes to the Trust Board during this reporting period.

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to:

Plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

Attendance at meetings in the year was as follows:

The following individuals (non-trustees) attended:

Trustees	Meetings attended	Out of possible
M Smith	2	2
J Holland	2	3
I McGregor	1	3

STAR ACADEMY TRUST LIMITED

Governance Statement Year ended 31 August 2021

The following individuals attended:

Trustees	Meetings attended	Out of possible
I Mann (Chair of Trustees & Finance Director)	3	3
J Wootton (HR Director)	2	3
S Dyson (CEO, Accounting Officer & Principal)	3	3

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the academy trust has delivered improved value for money during the year by ensuring that services are reviewed regularly and that a minimum of three quotes are obtained when entering into new SLAs/contracts or when purchasing goods over a specified value. Examples for this year are:

- HR support
- Health and Safety consultancy
- Electric works
- Grounds maintenance
- Refuse collection
- Development of the outdoor area for reception class

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Star Academy Trust Limited for the period 1 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 board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

STAR ACADEMY TRUST LIMITED

Governance Statement Year ended 31 August 2021

The risk and control framework

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

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

This year the board of trustees decided:

- to buy-in an internal audit service from COFIE Ltd.

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

- Register of Trustees/Members at Companies House/ESFA/Website
- Conflict of Interest Policy
- Declarations of Interest/Register of business interests
- Conflict of interest awareness and training
- Notification of interests to ESFA
- Whistle Blowing
- Compliance with ESFA reporting requirements
- Awareness of public service requirements
- Quality of minutes
- Trustees skills and development
- Risk Register
- Management Accounts
- Value for Money
- Budget Planning and Control (including ICFP)
- Audit Schedules
- Year-end audit recommendations follow up
- Schemes of Delegation/Terms of Reference
- Trading
- IR35

On an annual basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

STAR ACADEMY TRUST LIMITED

Governance Statement Year ended 31 August 2021

Review of effectiveness

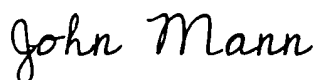
As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

29/11/2021

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



J Mann
Chair of Trustees & Finance Director



S Dyson
CEO, Accounting Officer & Principal

STAR ACADEMY TRUST LIMITED

Statement on Regularity, Propriety and Compliance Year ended 31 August 2021

As accounting officer of Star Academy Trust Limited, 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.



S Dyson
Accounting Officer

29/11/2021

2021

STAR ACADEMY TRUST LIMITED

Statement of Trustees' Responsibilities Year ended 31 August 2021

The trustees (who are also the directors of Star Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2020-2021 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

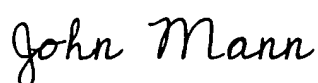
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 06/12/2021 2021 and signed on its behalf by:



J Mann
Chair of Trustees & Finance Director

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Auditor's Report on the Financial Statements to the Members of Star Academy Trust Limited

Opinion

We have audited the accounts of Star Academy Trust Limited (the 'parent academy trust') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the parent academy trust balance sheet, the consolidated 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 group's and the parent academy trust's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group's or the parent 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.

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Auditor's Report on the Financial Statements to the Members of Star Academy Trust Limited (continued)

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 group and parent 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

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 group or parent academy trust, 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Auditor's Report on the Financial Statements to the Members of Star Academy Trust Limited (continued)

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the group's and charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the academy's Statement of Financial Activities, (ii) the academy's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academies Financial Handbook and Accounts direction.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Auditor's Report on the Financial Statements to the Members of Star Academy Trust Limited (continued)

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 group's and 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.



24 Nicholas Street
Chester
CH1 2AU

8 December 2021

Robert Hall
Senior Statutory Auditor
For and on behalf of
MITCHELL CHARLESWORTH LLP
Chartered Accountants
Statutory Auditor

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Reporting Accountant's Assurance Report on Regularity to Star Academy Trust Limited and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 July 2020 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 Star Academy Trust Limited 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 Star Academy Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Star Academy Trust Limited 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 Star Academy Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Star Academy Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Star Academy Trust Limited's funding agreement with the Secretary of State for Education dated 23 August 2016 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 to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester CH1 2AU

Independent Reporting Accountant's Assurance Report on Regularity to Star Academy Trust Limited and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.



24 Nicholas Street
Chester
CH1 2AU

MITCHELL CHARLESWORTH LLP
Reporting Accountant
Chartered Accountants

8 December 2021

STAR ACADEMY TRUST LIMITED

Consolidated Statement of Financial Activities (including Income and Expenditure Account) Year ended 31 August 2021

	Note	Unrestricted funds £'000	Restricted funds General £'000	Fixed asset £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	3	1	-	186	187	145
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	5	61	1,011	-	1,072	1,015
Other trading activities	4	161	-	-	161	165
Total		223	1,011	186	1,420	1,325
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust's educational operations	7	24	1,074	69	1,167	1,186
Other		185	-	-	185	231
Total	6	209	1,074	69	1,352	1,417
Net income/(expenditure)		14	(63)	117	68	(92)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(163)	-	(163)	40
Net movement in funds		14	(226)	117	(95)	(52)
Reconciliation of funds						
Total funds brought forward	16	21	(583)	2,439	1,877	1,929
Total funds carried forward	16	35	(809)	2,556	1,782	1,877

STAR ACADEMY TRUST LIMITED

Consolidated Statement of Financial Activities (including Income and Expenditure Account) Year ended 31 August 2021

Comparative year information Year ended 31 August 2020

	Note	Unrestricted Funds £'000	Restricted funds General £'000	Fixed asset £'000	Total 2020 £'000
Income and endowments from:					
Donations and capital grants	3	53	-	92	145
<i>Charitable activities:</i>					
Funding for the academy trust's educational operations	5	58	957	-	1,015
Other trading activities	4	165	-	-	165
Total		276	957	92	1,325
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust's educational operations	7	114	1,009	63	1,186
Other		231	-	-	231
Total	6	345	1,009	63	1,417
Net income/(expenditure)		(69)	(52)	29	(92)
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	40	-	40
Net movement in funds		(69)	(12)	29	(52)
Reconciliation of funds					
Total funds brought forward		90	(571)	2,410	1,929
Total funds carried forward		21	(583)	2,439	1,877

STAR ACADEMY TRUST LIMITED

Balance Sheet As at 31 August 2021

		Group 2021 £'000	Academy Trust 2021 £'000	Group 2020 £'000	Academy Trust 2020 £'000
	Notes				
Fixed assets					
Tangible assets	11	2,492	2,492	2,350	2,350
Current assets					
Debtors	12	155	270	76	176
Cash at bank and in hand		208	156	151	91
		363	426	227	267
Liabilities					
Creditors: Amounts falling due within one year	13	(244)	(216)	(111)	(83)
Net current assets		119	210	116	184
Total assets less current liabilities		2,611	2,702	2,466	2,534
Creditors: Amounts falling due after one year	14	(20)	(20)	(6)	(6)
Net assets excluding pension liability		2,591	2,682	2,460	2,528
Defined benefit pension scheme liability	18	(809)	(809)	(583)	(583)
Total net assets		1,782	1,873	1,877	1,945
Funds of the academy trust:					
Restricted funds					
Fixed asset funds		2,556	2,556	2,439	2,439
Pension reserve		(809)	(809)	(583)	(583)
Total restricted funds	16	1,747	1,747	1,856	1,856
Unrestricted income funds	16	35	126	21	89
Total funds		1,782	1,873	1,877	1,945

The financial statements on pages 24 to 45 were approved by the Trustees, and authorised for issue on 06/12/2021
2021 and signed on their behalf by:

John Mann

J Mann

Chair of Trustees & Financial Director

Company Limited by Guarantee
Registration Number: 10131046

STAR ACADEMY TRUST LIMITED

Consolidated Statement of Cash Flows Year ended 31 August 2021

		2021	2020
	Notes	£'000	£'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	66	(62)
Cash flows from investing activities			
Capital grants from DfE Group		186	41
Purchase of tangible fixed assets		(211)	-
Net cash (used in)/provided by investing activities		(25)	41
Cash flows from financing activities			
Repayment of long term loan		(1)	(2)
Long term loan received		17	-
Net cash provided by/(used in) financing activities		16	(2)
Net increase in cash and cash equivalents in the reporting period		57	(23)
Cash and cash equivalents at beginning of the year		151	174
Cash and cash equivalents at end of the year		208	151

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements

Year ended 31 August 2021

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Star Academy Trust Limited meets the definition of a public benefit entity under FRS 102.

Consolidation

The consolidated financial statements include the assets and liabilities, and income and expenditure of Star Academy Trading Limited as set out in note 21 on the basis that all of the directors of that company are trustees or members of the Senior Management Team of the academy trust.

All financial statements are made up 31 August 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements. The Consolidated Statement of Financial Activities includes a deficit of £72,000 (2020: surplus of £14,000) relating to Star Academy Trust Limited.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the group and 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 financial statements and have concluded that the group and the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the group and 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 financial statements.

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 year 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.

STEPHENSON MULTI ACADEMY TRUST

(FORMERLY RAINHILL LEARNING VILLAGE MULTI ACADEMY TRUST)

Notes to the Financial Statements (continued)
Year ended 31 August 2016

1. Accounting Policies (continued)

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Sponsorship income**
Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably,
- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
The value of donated goods, facilities and services provided to the academy trust are recognised at their fair value in the year in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind is a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

1. Accounting Policies (continued)

Expenditure

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

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

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.

Tangible fixed assets and depreciation

Assets costing £3,000 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. 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 such assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	Straight line over 125 years
Improvements to property	4% on cost
Fixtures, fittings & equipment	15% on cost

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.

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

1. Accounting Policies (continued)

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and liabilities of the academy trust and their measurement bases 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 as detailed in note 15. 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.

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 Part 11, Chapter 3 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.

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 in the academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 19, 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 recognised in the year to which they relate.

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

1. Accounting Policies (continued)

Pensions benefits (continued)

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

Fund accounting

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

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

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

2. Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

3. Donations and capital grants	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	186	186	92
Other donations	1	-	1	53
	53	186	187	145

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

4. Other trading activities			2021	2020
			£'000	£'000
Trading company income			161	165
			<u> </u>	<u> </u>
5. Funding for the academy trust's educational operations	Unrestricted funds	Restricted funds	Total	Total
	£'000	£'000	2021	2020
			£'000	£'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	815	815	803
Other DfE/ESFA Group grants:				
UFSM	-	30	30	-
Pupil premium	-	19	19	-
Others	-	72	72	130
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	936	936	933
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other Government grants				
Local authority grants	-	57	57	24
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
COVID-19 additional funding (DfE/ESFA)				
Coronavirus catch-up premium	-	17	17	-
Other DfE/ESFA funding	-	1	1	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	18	18	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other funding				
Other incoming resources	60	-	60	58
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funding	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	60	1,011	1,071	1,015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The academy received £17,000 of funding for catch-up premium and total costs incurred amounted to £17,000.

6. Expenditure				31 August	31 August
	Staff	Non pay		2021	2020
	Costs	expenditure		Total	Total
	£'000	Premises	Other	£'000	£'000
		£'000	£'000		
Academy's educational operations:-					
Direct costs	674	52	25	751	727
Allocated support costs	230	63	123	416	459
Other	148	26	11	185	230
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,052	141	159	1,352	1,416
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

6. Expenditure (continued)

Net income/expenditure for the year includes:-	2021 £'000	2020 £'000
Fees payable to auditor for:		
- Audit	6	7
- Other services	4	4
Operating lease rentals	5	20
Depreciation of tangible fixed assets	69	63
Net interest on defined benefit pension liability	10	10
	<u> </u>	<u> </u>

7. Charitable activities	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	-	751	751	727
Support costs				
Educational operations	<u>24</u>	<u>392</u>	<u>416</u>	<u>459</u>
	<u>24</u>	<u>1,143</u>	<u>1,167</u>	<u>1,186</u>

Analysis of support costs	2021 £'000	2020 £'000
Support staff costs	230	230
Depreciation	17	16
Technology costs	9	11
Premises costs	46	53
Legal costs	3	5
Other support costs	103	135
Governance costs	<u>8</u>	<u>9</u>
Total support costs	<u>416</u>	<u>459</u>

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

8. Staff

	31 August 2021 £'000	31 August 2020 £'000
a. Staff costs		
Staff costs during the year were:-		
Wages and salaries	775	742
Social security costs	53	53
Pension costs	217	198
	<u>1,040</u>	<u>993</u>
Staff costs - employees	1,040	993
Agency staff costs	12	7
Staff restructuring costs	-	9
	<u>904</u>	<u>1,009</u>
Staff development and other staff costs	3	3
	<u>907</u>	<u>1,012</u>
Total staff expenditure	<u>907</u>	<u>1,012</u>
Redundancy payments	-	9
	<u>-</u>	<u>9</u>

b. Staff numbers

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

	2021 Number	2020 Number
Teachers	9	8
Administration and support	36	34
Management	4	4
	<u>49</u>	<u>46</u>

c. 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	1	1

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

8. Staff (continued)

d. 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 £96,803 (2020 £117,967).

9. Trustees' remuneration and expenses

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

The value of trustee's remuneration and other benefits was as follows:-

S Dyson (Principal and trustee)

Remuneration £60,000 - £65,000 (2020: £60,000 - £65,000)

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

There were no trustees' expenses paid for the year ended 31 August 2021.

10. Trustees' and officers' insurance

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

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

11. Tangible fixed assets

Group and Academy Trust	Long leasehold land and building £'000	Improvement to property £'000	Fixtures, Fittings & Equipment £'000	Total £'000
Cost				
At 1 September 2020	1,476	1,000	72	2,548
Additions	-	205	6	211
Disposals	-	-	(11)	(11)
At 31 August 2021	1,476	1,205	67	2,748
Depreciation				
At 1 September 2020	47	108	43	198
On disposals	-	-	(11)	(11)
Charge for the year	12	48	9	69
At 31 August 2021	59	156	41	256
Net book value				
At 31 August 2021	1,417	1,049	26	2,492
At 31 August 2020	1,429	892	29	2,350
12. Debtors	Group 2021 £'000	Academy Trust 2021 £'000	Group 2020 £'000	Academy Trust 2020 £'000
Trade debtors	4	1	4	2
Amounts owed by group undertakings	-	118	-	102
VAT recoverable	4	4	2	2
Other debtors	16	16	-	-
Prepayments and accrued income	131	131	70	70
	155	270	76	176
13. Creditors: Amounts falling due within one year	Group 2021 £'000	Academy Trust 2021 £'000	Group 2020 £'000	Academy Trust 2020 £'000
Government loans	3	3	1	1
Trade creditors	34	34	9	9
Other taxes and social security	14	13	20	18
Other creditors	17	17	16	16
Accruals and deferred income	176	149	65	39
	244	216	111	83

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

14. Creditors: Amounts falling due after more than one year

	Group 2021 £'000	Academy Trust 2021 £'000	Group 2020 £'000	Academy Trust 2020 £'000
Government loans	20	20	6	6

Analysis of loans

	2021 £'000	2020 £'000
Wholly repayable within five years	23	7
Less: included in current liabilities	(3)	(1)

Amounts included above	20	6
------------------------	----	---

Loan maturity

Debt due in one year or less	3	1
Due in more than two years but not more than five years	14	5
Due in more than five years	6	1

Amounts included above	23	7
------------------------	----	---

The loan related to an initial loan of £10,000 from Salix, which is provided interest free and repayable over 8 years from 2019. Another loan has also been approved of £16,000 this has not yet been received but has been shown in debtors and creditors and is due for repayment from January 2022.

15. Deferred income

	Group 2021 £'000	Academy Trust 2021 £'000	Group 2020 £'000	Academy Trust 2020 £'000
Deferred income is included within:				
Creditors due within one year	33	17	45	22
Deferred income at 1 September 2020	45	22	42	21
Released from previous years	(45)	(22)	(42)	(21)
Resources deferred in the year	33	17	45	22
Deferred income at 31 August 2021	33	17	45	22

The deferred income relates to grants received in advance for Universal Infant Free School Meals. In the prior year deferred income also related to income received in advance for rates relief.

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

16. Funds	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	-	815	(815)	-	-
UIFSM	-	30	(30)	-	-
Pupil premium	-	19	(19)	-	-
Other DfE / ESFA grants	-	72	(72)	-	-
Other government grants	-	57	(57)	-	-
COVID-19 catch-up premium	-	17	(17)	-	-
Other COVID-19 funding	-	1	(1)	-	-
Pension reserve	(583)	-	(63)	(163)	(809)
	(583)	1,011	(1,074)	(163)	(809)
Restricted fixed asset funds					
Inherited on conversion	1,457	-	(10)	-	1,447
DfE Group capital grants	982	186	(59)	-	1,109
	2,439	186	(69)	-	2,556
Total restricted funds	1,856	1,197	(1,143)	(163)	1,747
Unrestricted funds					
General funds	21	223	(209)	-	35
Total funds	1,877	1,420	(1,352)	(163)	1,782

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	803	(803)	-	-
Other DfE / ESFA grants	-	130	(130)	-	-
Other Government Grants	-	24	(24)	-	-
Pension Reserve	(571)	-	(52)	40	(583)
	(571)	957	(1,009)	40	(583)
Restricted fixed asset funds					
Inherited on conversion	1,480	-	(23)	-	1,457
DfE Group capital grants	930	92	(40)	-	982
	2,410	92	(63)	-	2,439
Total restricted funds	1,839	1,049	(1,072)	40	1,856
Unrestricted funds					
General funds	90	276	(345)	-	21
Total funds	1,929	1,325	(1,417)	40	1,877

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

17. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:-

	Unrestricted funds £'000	Restricted funds General £'000	Fixed asset £'000	Total funds £'000
Tangible fixed assets	-	-	2,492	2,492
Current assets	290	-	191	481
Creditors falling due within one year	(254)	-	(108)	(632)
Creditors falling due after one year	(1)	-	(19)	(20)
Defined benefit pension liability	-	(809)	-	(809)
Total net assets	35	(809)	2,556	1,782

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

Fund balances at 31 August 2020 are represented by:-

	Unrestricted funds £'000	General funds £'000	Fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	2,350	2,350
Current assets	132	-	96	228
Creditors falling due within one year	(109)	-	(1)	(110)
Creditors falling due after one year	-	-	(6)	(6)
Pension scheme liability	-	(583)	-	(583)
Total net assets	23	(583)	2,439	1,879

18. 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 Cheshire Pension Scheme. 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 £10,654 were payable to the schemes at 31 August 2021 (2020: £15,640) 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.

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

18. 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 £93,000 (2020: £91,000).

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 25.6% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2021 £'000	2020 £'000
Employer's contributions	64	62
Employees' contributions	14	12
Total contributions	78	74

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

18. Pension and similar obligations (*continued*)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	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
<i>Retiring today</i>		
Males	21.4	21.2
Females	24.0	23.6
<i>Retiring in 20 years</i>		
Males	22.4	21.9
Females	25.7	25.0

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

	2021 £'000	2020 £'000
Discount rate -0.1%	32	24
Mortality assumption + 1 year	54	2
CPI rate +0.1% pa	2	22
Pension increase rate	29	-

Defined benefit pension scheme net liability	2021 £'000	2020 £'000
Scheme assets	547	417
Scheme obligations	(1,356)	(1,000)
Net liability	(809)	(583)

The academy trust's share of the assets in the scheme	2021 Fair value £'000	2020 Fair value £'000
Equities	251	188
Bonds	230	171
Cash	11	16
Property	55	42
Total market value of assets	547	417

The actual return on scheme assets was £59,000 (2020: £45,000).

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

18. Pension and similar obligations (*continued*)

Amounts recognised in the Statement of Financial Activities	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Current service cost	117	105
Interest income	(8)	(8)
Interest cost	18	18
	<u>127</u>	<u>114</u>
Total operating charge		
	<u>127</u>	<u>114</u>
Changes in the present value of defined benefit obligations		
	2021 £'000	2020 £'000
At 1 September 2020	1,000	966
Current service cost	117	104
Interest cost	18	18
Employee contributions	14	12
Actuarial (gain)/ loss	214	(93)
Benefits paid	(7)	(7)
	<u>1,356</u>	<u>1,000</u>
At 31 August 2021		
	<u>1,356</u>	<u>1,000</u>
Changes in the fair value of academy trust's share of scheme assets		
	2021 £'000	2020 £'000
At 1 September 2020	417	395
Interest income	8	8
Actuarial (gain)/loss	51	(53)
Employer contributions	64	62
Employee contributions	14	12
Benefits paid	(7)	(7)
	<u>547</u>	<u>417</u>
At 31 August 2021		
	<u>547</u>	<u>417</u>

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued)

Year ended 31 August 2021

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

	2021 £'000	2020 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	68	(92)
Adjusted for:		
Capital grants from DfE and other capital income	(186)	(92)
Defined benefit pension costs less contributions payable	53	42
Defined benefit pension scheme finance cost	10	10
Depreciation of tangible fixed assets	69	63
(Increase) in debtors	(95)	(5)
Increase in creditors	147	12
Net cash (used in)/provided by operating activities	66	(62)

20. Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	91	65	156
Loans falling due within one year	(1)	(2)	(3)
Loans falling due after one year	(6)	(14)	(20)
	84	49	133

21. Trading subsidiary

Star Academy Trading Limited is a wholly owned subsidiary of the trust which runs the nursery. Star Academy Trading is a company limited by guarantee. Below are the trading results which have been included in the consolidated accounts.

Profit and Loss Account Star Academy Trading Limited

	2021 £	2020 £
Turnover	160,991	163,869
Cost of sales	(1,956)	(1,509)
Gross surplus	159,035	162,360
Administrative expenses	(183,313)	(228,804)
Other operating income	-	662
(Deficit)/surplus before taxation	(24,278)	(65,782)
Tax on (deficit)/surplus	-	-
(Deficit)/surplus for the financial year	(24,278)	(65,782)

STAR ACADEMY TRUST LIMITED

Notes to the Financial Statements (continued) Year ended 31 August 2021

22. 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 £'000	2020 £'000
Amounts due within one year	28	37
Amounts due to two and five years	4	64
Amounts due after five years	-	17
	<u>32</u>	<u>118</u>

23. Related parties

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

24. Capital commitments

Expenditure contracted for but not provided in the accounts is £nil (2020: £85,000).

25. Members' liability

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