

**The STAR Multi Academy Trust (A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year Ended 31 August 2019**



**The STAR Multi Academy Trust**  
**Annual Report and Financial Statements**  
**Year Ended 31 August 2019**

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# **The STAR Multi Academy Trust**

## **Reference and Administrative Details**

**Year Ended 31 August 2019**

<b>Members</b>	R Hall (appointed 20 November 2018) J Hattam Rev J Hetherington J Hodges A Lee
<b>Trustees</b>	R Coy F Dodd T Fielden S Peacock K Sheppard A Smith C Thornton-Eckford (Chair) P Wilson
<b>Company Secretary</b>	M Boyes
<b>CEO and Accounting Officer</b>	M Sibley
<b>CFO</b>	M Boyes
<b>Lead of Governance and Clerk to Trustees</b>	I Tessier
<b>School Improvement Leadership Group</b>	
Headteacher, Appleton Roebuck Primary School	A Commins
Headteacher, Kellington Primary School	D Parker
Headteacher, Kirk Fenton CE Primary School	K Williams
Headteacher, Monk Fryston CE Primary School	R Weights
Executive Headteacher, Riverside & Saxton CoE Primary School	I Yapp
Headteacher, Sherburn Hungate Primary School	M Broom
Headteacher, South Milford Primary School	M Lawrence
Executive Head Teacher Tadcaster Grammar School	M Sibley
<b>Company Name</b>	The STAR Multi Academy Trust
<b>Principal and Registered Office</b>	Tadcaster Grammar School Toulston Tadcaster LS24 9NB
<b>Company Registration Number</b>	11291523 (England and Wales)

# **The STAR Multi Academy Trust**

## **Reference and Administrative Details**

### **Year Ended 31 August 2019**

#### **Independent Auditor**

Sagars Accountants Ltd  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

#### **Bankers**

Lloyds Bank Plc  
25 Gresham Street  
London  
EC2V 7HN

#### **Solicitors**

Lupton Fawcett  
Stamford House  
Piccadily  
York  
YO1 9PP

#### **Surveyors**

Robert Holmes  
Suite 3 Hill Top Farm Offices  
Storiths, Bolton Abbey  
BD23 6HX



# **The STAR Multi Academy Trust**

## **Trustees' Report**

### **Year Ended 31 August 2019**

#### **Introduction**

The Trustees of the STAR Multi Academy Trust (The STAR MAT) present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report including a strategic report under company law.

The STAR MAT serves Tadcaster, Sherburn and surrounding rural localities. There are eight primary schools in the Trust – Tadcaster Riverside, Monk Fryston CE, Saxton CE, Sherburn Hungate, South Milford, Appleton Roebuck, Kirk Fenton and Kellington and one secondary, Tadcaster Grammar School. The Trust was established in April 2018. There are approximately 3000 pupils/students on roll in the January 2019 census.

Our focus in the year since the Trust was formed has been on developing corporate culture and infrastructure. This has proven challenging at times and we have learned many lessons. It has, however, been hugely rewarding as we gradually begin to realise the substantial opportunities that can be gained from working together.

We have always known that to ensure the success and sustainability of our Trust we needed to establish strong foundations which secure it as a viable business. In a challenging financial climate this will enable us to maximise the resources we have to provide an outstanding education for all our children. This has taken some time to achieve, but the Trust Board is very pleased with the progress that has been made and we can now enter our second full year with great confidence and optimism.

#### **Structure, Governance and Management**

##### Constitution

The STAR MAT is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of The STAR MAT are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The STAR Multi Academy Trust.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details on page 2.

##### Members' Liability

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

##### Trustees' Indemnities

There are no qualifying third-party indemnity provisions in respect of the Trustees, other than Trustees' and officers' insurance arrangements, which are in place.

# **The STAR Multi Academy Trust**

## **Trustees' Report**

### **Year Ended 31 August 2019**

#### Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members of the STAR Multi Academy Trust, under the rules contained within its Articles of Association. Potential new Trustees are identified by the Board when required, ensuring that their skills and experience are complementary to those of existing Board members.

The membership of the Board is in accordance with the structure contained within its Articles of Association. Trustees have a breadth of skills and experience which are beneficial to the STAR MAT.

#### Policies and Procedures Adopted for the Induction and Training of Trustees.

All Trustees are provided with copies of the Code of Conduct, procedures, minutes, accounts, budget plans and other documents required to undertake their roles as Trustees. All Trustees are aware of relevant information in the Academies Financial Handbook and updates. Trustees are invited to attend various training sessions on governance organised by the Governance Support Officer.

#### Organisational Structure

There are four levels: Members and Trustees, Local Governing Bodies (LGB), Headteachers and the CEO. The relationship and decision-making functions are outlined in The Scheme of Delegation and the Finance Manual, which is regularly reviewed.

The STAR MAT Board meets regularly to discuss strategic matters and significant operational developments. The Board meets once a year to ratify local governing body pay recommendations for school staff.

The Trustees are responsible for

- Setting policy,
- Adopting an annual plan and budget,
- Monitoring key performance indicators, most importantly pupil progress and outcomes and financial information, and
- Making strategic decisions about the direction of the STAR MAT

The CEO has responsibility for the running of the MAT as an organisation. He works closely with the COO and the school leaders in the Headteacher group, which meets fortnightly.

Headteachers, with their LGBs, are responsible for the day to day operational running and oversight of individual schools, on the principle of 'tiered autonomy'. The Scheme of Delegation allows for higher levels of support and intervention if a school is considered vulnerable.

There is also a small 'executive team' supporting the CEO, including the COO, who oversees trust-wide functions, for example finance, H&S, compliance and policies, governance, operations and growth strategy.

Chairs of Governors of the STAR MAT schools meet once every term to encourage networking, promoting good practice and to enable dialogue between themselves and the Trust Board.

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

The STAR MAT board annually approves a pay policy, which sets out the benchmarks, parameters and criteria for setting the pay of senior school leaders. The pay and remuneration of the CEO is set by the pay committee. The performance management of the CEO is guided by a committee of at least three Trustees. They are able to seek an external advisor to provide advice and support on the appraisal review if required.



## The STAR Multi Academy Trust

### Trustees' Report

#### Year Ended 31 August 2019

##### Related Parties and Other Connected Charities and Organisations

The Trust has not conducted business with related parties or other connected charities or organisations.

##### Trade Union Facility Time

The STAR MAT continues to buy into the NYCC Trade Union Facilities arrangements (PAFA). This scheme enables colleagues and the schools they work in to receive the best support from trained and experienced Professional Association Representatives. This was funded through the central service fee and the annual total cost was £5k.

### Objectives and Activities

##### Objects and Aims

The objects of the STAR MAT set out in its Articles of Association are specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- i. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- ii. Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

##### Objectives, Strategies and Activities

The aims and values of the STAR MAT are to:

- Ensure that our children achieve the best possible outcomes
- Develop the whole child; personally, culturally and spiritually
- Be inclusive; have a particular commitment to our most vulnerable children
- Teach our children to live well together and to make wise choices
- Ensure that our children are safe from harm
- Work to ensure that our schools are enjoyable places for children to learn

The Trust schools work together to improve the learning and achievement of all of their young people. The STAR MAT strategic priorities for 2018-2019 cover the following areas:

1. Improve outcomes and opportunities for children by:

- Understanding the individual and collective strengths and improvement needs of our schools
- Developing our trust curriculum principles and curriculum 'intent' for each subject (Reception -Y9)
- Developing a consistent primary assessment policy
- Developing a strategy for improving outcomes for SEND/ vulnerable learners
- Establishing a school improvement strategy

2. Keep children safe and happy by:

- Developing consistent safeguarding process and practice
- Developing a pupil/ student mental health and well-being strategy

## **The STAR Multi Academy Trust**

### **Trustees' Report**

#### **Year Ended 31 August 2019**

3. To develop our workforce to improve student outcomes by:

- Implementing consistent HR policies
- Developing a strategy for the recruitment, development and retention of staff
- Identifying and developing talented future leaders
- Implementing an effective appraisal process for all colleagues

4. To develop the finance and operations strategy to efficiently and transparently ensure good stewardship of public funds and assets by:

- Ensuring consistent and compliant financial processing and reporting and develop 'back office' capacity in this area
- Exploiting opportunities for income generation and review contracts to ensure best value
- Developing and implementing an estates capital plan
- Ensuring GDPR compliance across our trust
- Implementing consistent management information/data systems (Scholarpack, Bromcom, CPOMS, Assembly analytics)
- Establishing a comprehensive resources risk register

5. Develop a growth and partnership strategy by:

- Establishing 'soft' federations outside the Trust where appropriate
- Actively seeking to develop relationships with other trusts where they may be mutual advantages

6. Develop effectiveness of Governance by:

- Establishing consistent clerking support for governing bodies
- Establishing and implementing necessary Trust-wide policies
- Developing consistent reporting processes to the Trustees and LGBs
- Ensuring that Trustees and LGBs have access to high quality training
- Establishing a consistent school monitoring protocol for governors
- Developing a governor recruitment strategy
- Developing governor handbook and expectations document

#### **Public Benefit**

In exercising its powers and duties The STAR MAT has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission. The main public benefit delivered by the STAR MAT is the free provision of education to its learners.

#### **Strategic report**

##### ***Education***

The Trust operates a rigorous programme of self-evaluation to ensure that standards continue to rise. Regular monitoring of performance data is carried out at LGB level and reported to the CEO and subsequently the Trust Board. Schools receive up to three visits a year (dependent on a risk evaluation) from an experienced school improvement consultant (SIC) appointed by the Trust who provides feedback to the school, LGB and the CEO. Areas of risk are reported back to the Trust Board through our regularly updated education risk register.

In 2019 outcomes for children at KS2 in the Trust's primary schools were encouraging but there is still aim higher. Overall attainment was in line with national figures in all areas. Attainment was above national standard at Kirk Fenton CE, Monk Fryston CE, Saxton CE and Sherburn Hungate primaries. Overall progress of children in our schools was in line with national standard and significantly above national standard at Monk Fryston CE and Saxton CE primaries.



# **The STAR Multi Academy Trust**

## **Trustees' Report**

### **Year Ended 31 August 2019**

Outcomes for children at Tadcaster Grammar School at KS4 were particularly strong in 2019. Attainment in basics 5+ (60%) was significantly above the national standard. The progress 8 score of +0.31 was also significantly above and placed the school in the top 40% of schools nationally. At post 16 72% of A level grades were at C and above and overall progress was in line with the national figure.

Both Monk Fryston CE and Kirk Fenton CE primaries have received Church of England SIAMS inspections. Monk Fryston retained its 'outstanding' judgement and Kirk Fenton achieved a 'good' under the new framework.

Following external review Saxton CE (sponsored by the Trust) received validation of its own self evaluation of being a 'good' school. This is a huge achievement and reflects an enormous amount of hard work by our colleagues at the school since it entered special measures. In September 2019 Saxton CE was 'federated' with Monk Fryston CE.

The Trust received (following our successful bid) £107K of 'MAT development funding' which has been used primarily to provide a counselling service for children and families across the Trust. It has also been used for other school improvement purposes as well as to support the development of some of our essential central services.

As a Trust we have been successful with a bid to the Primary Science Teaching Trust to form a local cluster. Each primary school will receive £2.5K and have access to a £5K resources pot over the next five years. This will help to improve the quality of primary science teaching across the Trust.

We are delighted that Sherburn High School joined the Trust on 1 October 2019. Brayton CE primary school joined the Trust on 1 November as a sponsored academy.

#### ***Resources***

All necessary compliant systems, processes, controls and policies have now been established. We have successfully undergone 5 consecutive financial audits - including a visit from the ESFA

Sufficient central services capacity has been established to enable us to run the Trust efficiently but also to support some of our smaller schools with financial processing. This will enable them to focus more time and resources directly on the needs of children.

New cleaning, HR and payroll contracts have now been negotiated. We have achieved lower priced contracts with a cost saving of over £100k, whilst getting better service.

As a Trust of over 3000 children, we automatically qualify for 'School Conditions Allowance' (SCA). The level of funding allocated for 2019-2020 has been confirmed at £1.2 million. This money will be spent entirely on improving our school buildings. As a comparison, in 2018-2019 devolved capital directly allocated from the LA to our schools amounted to a total of only £80K.

From September 2019 all our schools are now clerked by City of York Governance Services. This has already had a significant impact on the consistency and quality of governance across the Trust and assists in keeping communication between governing bodies and the Trust board running smoothly.

#### ***Going Concern***

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

# **The STAR Multi Academy Trust**

## **Trustees' Report**

### **Year Ended 31 August 2019**

#### Financial Review

The STAR MAT has had a successful financial period. Net incoming resources were £16,473k (2018 - £62,272k). Net current assets as at 31 August 2019 were £1,690k (2018 - £510k).

No additional schools joined the MAT during this financial year, therefore, net funds transferred to The STAR MAT on conversion were £0.

As at 31 August 2019 The STAR MAT had cash reserves of £1,955 (2018 - £1,101).

The STAR MAT's income is derived in the main form from the Department for Education (DFE) and the Local Authority (LA) in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the DFE and LA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The STAR MAT also received grants for the acquisition of fixed assets from the DFE. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities'. (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

#### **Statement of principal financial management policies adopted**

The financial management policies that have been adopted include:

- Finance Manual (Budget Management policy)
- Investment policy
- Fixed Assets policy
- Anti-Fraud, Corruption and Bribery policy
- Employee expenses policy
- Member, Trustee, and Governor Expenses Policy
- Gifts and hospitality policy
- Procurement policy
- Competitive tendering policy
- Surplus and Deficits policy
- Accounting policies

#### Reserves Policy

The STAR MAT has three categories of reserves:

- Restricted funds, such as the General Annual Grant, are used to carry out the principal objectives of the Trust;
- Fixed asset reserve used to finance fixed assets; and
- Unrestricted reserves which are used under the discretion of the Board of Trustees and are delegated to the Local Governing Bodies.

Trustees review the level of reserves on an annual basis. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held to ensure the academy has sufficient resources to continue to advance the education of learners, including necessary capital expenditure.



## The STAR Multi Academy Trust

### Trustees' Report

#### Year Ended 31 August 2019

As at 31 August 2019 the Trust held the following reserves:

	<b>2019</b>
	<b>£'000</b>
Restricted General Fund	(3,389)
Restricted Fixed Asset Fund	59,317
Unrestricted Fund	270
<b>Total</b>	<b>56,198</b>

The Board has reviewed the level of reserves and considers them to be adequate. Over the next financial year, the Finance Audit and Risk Committee will review the Reserves Policy to identify a target level of reserves for each school. This may equate to a % of funding or a reserve relative to the number of monthly salary payments.

#### Investment Policy

The STAR MAT has an investment policy based on treasury management as defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice. The objectives of treasury management are: to provide a means by which The STAR MAT can meet its commitments; to ensure that sufficient sums are available at short notice or no notice to meet foreseeable requirements; to earn an acceptable rate of return on surplus funds without undue risk; to spread risk between differing types of investments and institutions.

The Chief Education Officer and the Board of Trustees have responsibility for the overall security and management of funds. The day to day management of the treasury function is controlled by the COO. The COO will liaise with the CEO and the STAR MAT Board in relation to strategy and market conditions.

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing THE STAR MAT concern finance and funding, pupil outcomes, the condition of our buildings and facilities and the viability of our post-16 provision.

The Trust is mitigating these risks in the following ways:

- Finance and funding - by having robust financial controls, increasing efficiency with our procurement approaches including using Deals for Schools, looking at our growth strategy and placing additional bids to increase income generation;
- Pupil Outcomes - by focusing on school improvement strategies and interventions;
- Building and Facilities conditions - by establishing a coherent Estates strategy and to prioritise the capital expenditure plan;
- Post 16 provision - continuing to develop a more shared post-16 provision with other local schools

The Trust has also developed a risk management strategy and reports both the Education and Resources risks to the Trust Board at each meeting.

#### **Fundraising**

The schools in The STAR MAT undertake a number of fundraising initiatives which include fundraising on behalf of the schools themselves and fundraising on behalf of charities and good causes.

Trustees are committed to ensuring that fundraising activities are carried out in a controlled and ethical manner and are mindful of the guidance issued by the Charity Commission in relation to fundraising standards.

## **The STAR Multi Academy Trust**

### **Trustees' Report**

#### **Year Ended 31 August 2019**

Whenever donations are made, monies are carefully accounted for and remitted to the beneficiaries as soon as possible.

If significant new or novel fundraising initiatives are planned these are referred to the local governors for approval.

#### **Plans for Future Periods**

The STAR MAT strategic priorities for 2019/2020 include:

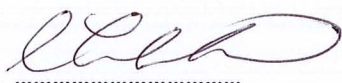
- Ensure that all children across our Trust have the same opportunity to experience a high-quality curriculum whatever school they attend,
- Continue to build capacity for Headteachers to enable them to focus their efforts on providing the best possible education for our children, and
- Develop professional capital across our Trust

#### **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 2 December 2019 and signed on the board's behalf by:

  
.....

Clare Thornton - Ekford  
Chair of Trustees

2 December 2019



## The STAR Multi Academy Trust

### Governance Statement

#### Year Ended 31 August 2019

##### Scope of Responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Education Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The STAR MAT and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

##### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meeting of the Board of Trustees was as follows:

	Meetings attended	Out of a Possible
Richard Coy	8	8
Tom Fielden	8	8
Alison Smith	8	8
Nick Shephard	6	8
Clare Thornton-Eckford	7	8
Frances Dodd	7	8
Simon Peacock	8	8
Peter Wilson	8	8

##### Review of Value for Money

As accounting officer the CEO 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Buying into the RPA (academies risk protection arrangement) scheme for insurance
- Re-tendering contracts such as cleaning, payroll and broadband to maximise cost efficiency
- Participating in an ICFP (Integrated Curriculum and Financial Planning) audit and to continuously review staffing needs and identifying areas where staffing costs can be reduced whilst avoiding a negative impact on educational provision

##### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being



## **The STAR Multi Academy Trust**

### **Governance Statement**

#### **Year Ended 31 August 2019**

realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The STAR Multi Academy Trust for the period ended 31 August 2019 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 ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by The STAR MAT Board.

#### **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 periodic financial reports and an annual budget which are reviewed and agreed by the Board of Trustees;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- identification, management and reporting of risks

The STAR MAT continues to appoint Ilkley Grammar (Moorlands Trust) to provide an internal audit to carry out a programme of internal checks. This work commenced in the Autumn 2018 term and the focus was: Payroll, Financial Control and Procurement.

#### **Review of Effectiveness**

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

This section should include a description of the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control, including some comment on the role of:

- the STAR MAT Board
- external auditor, Sagars Accountants;
- the work conducted by the Financial Management Team within North Yorkshire County Council (FMS)
- the Financial Management and Governance Self-Assessment (FMGS) Validation visit by the DfE; and
- the work of the executive managers with 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 Finance Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 2 December 2019 and signed on its behalf by:

.....  
**Clare Thornton - Eckford, Chair of Trustees**

.....  
**Martyn Sibley - Accounting Officer and CEO**

## **The STAR Multi Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

#### **Year Ended 31 August 2019**

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

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

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



M Sibley  
Accounting Officer  
2 December 2019

## **The STAR Multi Academy Trust**

### **Statement of Trustees' Responsibilities**

#### **Year Ended 31 August 2019**

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

Company law requires the trustees to prepare 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 the incoming resources and application of resources, including its income and expenditure. 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education 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 2 December 2019 and signed on its behalf by:



Clare Thornton – Eckford  
Chair of Trustees

## **The STAR Multi Academy Trust**

### **Independent Auditor's Report to the Members of The STAR Multi Academy Trust**

#### **Year Ended 31 August 2019**

##### **Opinion**

We have audited the financial statements of The STAR Multi Academy Trust Limited (the 'academy trust') for the year ended 31 August 2019 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

##### **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 financial statements 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

##### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements 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.

## **The STAR Multi Academy Trust**

### **Independent Auditor's Report to the Members of The STAR Multi Academy Trust**

#### **Year Ended 31 August 2019**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 academy trust or to cease operations, or have no realistic alternative but to do so.

## **The STAR Multi Academy Trust**

### **Independent Auditor's Report to the Members of The STAR Multi Academy Trust**

**Year Ended 31 August 2019**

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **The STAR Multi Academy Trust**

### **Independent Auditor's Report to the Members of The STAR Multi Academy Trust**

**Year Ended 31 August 2019**

#### **Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Seaman BA FCA CIOT (Senior Statutory Auditor)

For and on behalf of

Sagars Accountants Ltd

Chartered accountant & statutory auditor

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

2 December 2019



## **The STAR Multi Academy Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to The STAR Multi Academy Trust and the Education & Skills Funding Agency**

**Year Ended 31 August 2019**

In accordance with the terms of our engagement letter dated 16<sup>th</sup> August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The STAR Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of The STAR Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The STAR Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 April 2018 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw our conclusions includes:

- Review of the systems and assessment of the design and operational effectiveness of the internal controls
- Detailed testing based on our assessment of risk of income and expenditure
- Making appropriate enquires of the Accounting Officer

**The STAR Multi Academy Trust**

**Independent Reporting Accountant's Assurance Report on Regularity to The STAR Multi Academy Trust and the Education & Skills Funding Agency**

**Year Ended 31 August 2019**

**Conclusion**

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

The logo for Sagars Accountants Limited, featuring the word 'Sagars' in a stylized, handwritten-style script.

SAGARS ACCOUNTANTS LIMITED  
Chartered Accountants & Statutory Auditor

Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2 JG

2 December 2019

# The STAR Multi Academy Trust

## Statement of Financial Activities incorporating Income & Expenditure Account

Year Ended 31 August 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	78	-	1,524	1,602	14
Transfer from local authority on conversion		-	-	-	-	57,964
Charitable activities:						
Funding for the academy trust's educational operations	3	1,263	13,539	-	14,802	4,265
Teaching schools	27	-	55	-	55	25
Other trading activities	4	14	-	-	14	4
<b>Total</b>		<b>1,355</b>	<b>13,594</b>	<b>1,524</b>	<b>16,473</b>	<b>62,272</b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust's educational operations	5	1,557	14,105	1,102	16,764	4,797
Teaching schools	27	-	59	-	59	21
<b>Total</b>		<b>1,557</b>	<b>14,164</b>	<b>1,102</b>	<b>16,823</b>	<b>4,818</b>
<b>Net income / (expenditure)</b>		<b>(202)</b>	<b>(570)</b>	<b>422</b>	<b>(350)</b>	<b>57,454</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses)</b>						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(1,252)	-	(1,252)	346
<b>Net movement in funds</b>		<b>(202)</b>	<b>(1,822)</b>	<b>422</b>	<b>(1,602)</b>	<b>57,800</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	472	(1,567)	58,895	57,800	-
<b>Total funds carried forward</b>	<b>15</b>	<b>270</b>	<b>(3,389)</b>	<b>59,317</b>	<b>56,198</b>	<b>57,800</b>

All income and expenditure derive from continuing activities.

# The STAR Multi Academy Trust

## Balance Sheet

Year Ended 31 August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
<b>Fixed assets</b>					
Tangible assets	11		57,937		58,861
<b>Current assets</b>					
Debtors	12	1,188		730	
Cash at bank and in hand		1,955		1,101	
		<u>3,143</u>		<u>1,831</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	<u>(1,453)</u>		<u>(1,321)</u>	
<b>Net current assets</b>			<u>1,690</u>		<u>510</u>
<b>Total assets less current liabilities</b>			59,627		59,371
Creditors: Amounts falling due after more than one year	14		(2)		-
<b>Net assets / (liabilities) excluding pension liability</b>			<u>59,625</u>		<u>59,371</u>
Defined benefit pension scheme liability	23		(3,427)		(1,571)
<b>Net assets / (liabilities) including pension liability</b>			<u>56,198</u>		<u>57,800</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	59,317		58,895	
Restricted income fund	15	38		4	
Pension reserve	15	<u>(3,427)</u>		<u>(1,571)</u>	
<b>Total restricted funds</b>			55,928		57,328
<b>Unrestricted income funds</b>	15		270		472
<b>Total funds / (deficit)</b>			<u>56,198</u>		<u>57,800</u>

The financial statements on pages 22 to 50 were approved by the trustees, and authorised for issue on 2 December 2019 and are signed on their behalf by:



Claire Thornton – Eckford  
Chair of Trustees

Registration Number: 11291523

**The STAR Multi Academy Trust**

**Statement of Cash Flows**

**Year Ended 31 August 2019**

	Notes	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	18	(492)	1,104
<b>Cash flows from investing activities</b>	19	1,346	(3)
<b>Change in cash and cash equivalents in the reporting period</b>		<u>854</u>	<u>1,101</u>
<b>Cash and cash equivalents at 1 September 2018</b>		1,101	-
<b>Cash and cash equivalents at 31 August 2019</b>	20	<u>1,955</u>	<u>1,101</u>



# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **1 Statement of accounting policies**

##### **General information**

The STAR Multi Academy Trust is a company limited by guarantee (the 'Academy Trust'), which is incorporated in England and Wales (no. 11291523). The address of the Trust's principal place of business is given on page 2. The nature of the Trust's operations is set out in the Trustees' Report. The comparatives are for the period 4 April 2018 to 31 August 2018, with the first academy converting on 1 May 2018.

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 (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The STAR Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **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 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the 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 period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised in full when there is unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.



# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 1 Statement of accounting policies (continued)

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets are received by the trust on conversion to an academy into the trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

- **Donated fixed assets**

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

#### **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.

- **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.

All resources expended are inclusive of irrecoverable VAT.

# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **1 Statement of accounting policies (continued)**

##### **Tangible Fixed Assets**

Assets costing £1,000 or more for primary schools & £5,000 or more for secondary schools are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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:

- |                            |                                    |
|----------------------------|------------------------------------|
| • Long leasehold buildings | 2%                                 |
| • Leasehold improvements   | Over 25 years expected useful life |
| • Furniture and equipment  | 20%                                |
| • Computer Equipment       | 20%                                |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

##### **Debtors**

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

##### **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.



# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **1 Statement of accounting policies (continued)**

##### **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.

##### **Agency Arrangements**

The Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Trust does not have a beneficial interest in the individual transactions. No allowance as contribution to administration costs has been recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA. The funds received and paid, and any balances held are disclosed in note 25.

##### **Leased Assets**

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

##### **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.

##### **Financial Instruments**

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **1 Statement of accounting policies (continued)**

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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.

#### **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.

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### **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 Education and Skills Funding Agency.

#### **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.

# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **1 Statement of accounting policies (continued)**

##### *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 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**2 Donations and capital grants**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Capital grants	-	1,508	1,508	-
Donated fixed assets	-	-	-	-
Other donations	78	16	94	14
	<u>78</u>	<u>1,524</u>	<u>1,602</u>	<u>14</u>
<b>2018</b>	<u>-</u>	<u>14</u>	<u>14</u>	

**3 Funding for academy trust's educational operations**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	12,344	12,344	3,690
Start-up grants	-	-	-	270
Pupil Premium	-	316	316	2
Universal Free School Meals	-	174	174	47
PE and Sports grant	-	142	142	-
	<u>-</u>	<u>12,976</u>	<u>12,976</u>	<u>4,009</u>
<b>Other Government grants</b>				
Early years funding	-	320	320	38
SEN Funding	-	243	243	60
Teaching School Grants	-	55	55	25
	<u>-</u>	<u>618</u>	<u>618</u>	<u>124</u>
Other income from the academy trust's educational operations	1,263	-	1,263	157
	<u>1,263</u>	<u>13,594</u>	<u>14,857</u>	<u>4,290</u>
<b>2018</b>	<u>157</u>	<u>4,133</u>	<u>4,290</u>	

**4 Other trading activities**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Letting income	14	-	14	4
	<u>14</u>	<u>-</u>	<u>14</u>	<u>4</u>
<b>2018</b>	<u>4</u>	<u>-</u>	<u>4</u>	

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**5 Expenditure**

	<b>Staff Costs £000</b>	<b>Non Pay Expenditure Premises £000</b>	<b>Other Costs £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	-	-	-
Academy trust's educational operations					
Direct costs	10,814	-	1,351	12,165	3,518
Allocated support costs	1,201	2,366	1,032	4,599	1,279
Teaching School	10	-	49	59	21
	<u>12,025</u>	<u>2,366</u>	<u>2,432</u>	<u>16,823</u>	<u>4,818</u>
<b>2018</b>	<u>3,489</u>	<u>552</u>	<u>777</u>	<u>4,818</u>	

Net income / expenditure for the period includes:

	<b>2019 £000</b>	<b>2018 £000</b>
Operating lease rentals	78	47
Depreciation	1,102	335
Fees payable to the auditor for:		
Audit	13	13

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**6 Charitable activities**

	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
<b>Direct costs – educational operations</b>	12,224	3,539
<b>Support costs – educational operations</b>	4,599	1,279
	<u>16,823</u>	<u>4,818</u>

<b>Analysis of support costs</b>	<b>Educational operations £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
Support staff costs	1,201	1,201	374
Depreciation	1,102	1,102	335
Premises costs	1,264	1,264	217
Other support costs	954	954	255
Governance costs	78	78	98
<b>Total support costs</b>	<u>4,599</u>	<u>4,599</u>	<u>1,279</u>

**7 Staff**

**(a) Staff costs**

	<b>2019 £000</b>	<b>2018 £000</b>
Staff costs during the period were:		
Wages and salaries	8,708	2,613
Social security costs	822	229
Pension costs	<u>2,083</u>	<u>540</u>
	11,613	3,382
Agency staff costs	254	42
Staff restructuring costs	<u>23</u>	<u>-</u>
	<u>11,890</u>	<u>3,424</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>23</u>	<u>-</u>
	<u>23</u>	<u>-</u>

**(b) Non-statutory / non-contractual staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payments totalling £22,726 (2018 - £4,018). Individually, the payments were £11,026, £3,200 and £8,500.

# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### (c) Staff numbers

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

	2019 Number	2018 Number
Teachers	157	164
Administration and support	263	295
Management	24	29
	<u>444</u>	<u>488</u>

#### (d) Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
	<u>6</u>	<u>4</u>

#### (e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. 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 £180,041 (2018: £222,124).



# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 8 Central services

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

- School Improvement
- Finance, Audit and Banking
- HR Advisory
- Payroll
- ICT Support for trust wide finance systems
- Health & Safety
- GDPR/DPO
- MAT Governance
- Public Relations/ Crisis Communications

The academy trust charges for these services on the following basis:

3% of GAG and Early Years Funding

The actual amounts charged during the period were as follows

	2019 £000	2018 £000
Tadcaster Grammar School	193	-
Monk Fryston C of E Primary School	24	-
Riverside Primary School	43	-
Kellington Primary School	13	-
Kirk Fenton C of E Primary School	23	-
Saxton C of E Primary School	11	-
Appleton Roebuck Primary School	14	-
Sherburn Hungate Primary School	24	-
South Milford Primary School	22	-
	<u>367</u>	<u>-</u>

#### 9 Related party transactions - Trustees' remuneration and expenses

No trustees were paid remuneration or received other benefits from an employment with the academy trust during the period.

Other related party transactions involving the trustees are set out in note 24.

#### 10 Trustees' and officers' insurance

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



# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 11 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>					
At 1 September 2018	58,942	145	48	61	<b>59,196</b>
Additions	-	80	18	80	<b>178</b>
Disposals	-	-	-	-	-
At 31 August 2019	<b>58,942</b>	<b>225</b>	<b>66</b>	<b>141</b>	<b>59,374</b>
<b>Depreciation</b>					
At 1 September 2018	323	4	3	5	<b>335</b>
Charged in period	1,065	7	11	19	<b>1,102</b>
Disposals	-	-	-	-	-
At 31 August 2019	<b>1,388</b>	<b>11</b>	<b>14</b>	<b>24</b>	<b>1,437</b>
<b>Net book values</b>					
At 31 August 2018	58,619	141	45	56	<b>58,861</b>
At 31 August 2019	<b>57,554</b>	<b>214</b>	<b>52</b>	<b>117</b>	<b>57,937</b>

The land and buildings at Kirk Fenton Church of England Primary School, Saxton Church of England Primary School and Monk Fryston Church of England Primary school are owned by the Diocesan Board of Finance, Diocese of York. The occupancy is made available to use under the terms of supplemental agreements. This makes the land available under a perpetual licence of £nil cost, which can be terminated upon the provision of two years' notice. The substance of these arrangements is such that The STAR Multi Academy Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion and depreciated over their useful lives.

The Trust's transactions relating to land and buildings include the taking up of the leasehold on the land and buildings at Appleton Roebuck Primary School, Tadcaster Grammar School, Kellington Primary School, Sherburn Hungate Community Primary School, South Milford Community Primary School and Riverside Community Primary School over a term of 125 years at a peppercorn rent.

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**12 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	20	1
VAT recoverable	804	147
Other debtors	-	519
Prepayments and accrued income	364	63
	<u>1,188</u>	<u>730</u>

**13 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	491	598
Other taxation and social security	186	187
Other creditors	243	243
Accruals and deferred income	533	293
	<u>1,453</u>	<u>1,321</u>

**Deferred income**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Deferred income at start of period	146	-
Released from previous years	(146)	-
Resources deferred in the period	396	146
Deferred income at end of period	<u>396</u>	<u>146</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals (£145,178), rates relief (£25,872), a start-up grant (£70,000) and school trips (£155,303).

**14 Creditors: amounts falling due in greater than one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other creditors	<u>2</u>	<u>-</u>
	<u>2</u>	<u>-</u>

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**15 Funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	12,344	(12,344)	-	-
Pupil premium	-	316	(316)	-	-
Teaching school provision	4	55	(59)	-	-
Other grants	-	879	(841)	-	38
Pension reserve	(1,571)	-	(604)	(1,252)	(3,427)
	<b>(1,567)</b>	<b>13,594</b>	<b>(14,164)</b>	<b>(1,252)</b>	<b>(3,389)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	58,895	-	(1,102)	-	57,793
DfE Group capital grants	-	1,508	-	-	1,508
Private sector capital sponsorship	-	16	-	-	16
	<b>58,895</b>	<b>1,524</b>	<b>(1,102)</b>	<b>-</b>	<b>59,317</b>
<b>Total restricted funds</b>	<b>57,328</b>	<b>15,118</b>	<b>(15,266)</b>	<b>(1,252)</b>	<b>55,928</b>
<b>Total unrestricted funds</b>	<b>472</b>	<b>1,355</b>	<b>(1,557)</b>	<b>-</b>	<b>270</b>
<b>Total funds</b>	<b>57,800</b>	<b>16,473</b>	<b>(16,823)</b>	<b>(1,252)</b>	<b>56,198</b>

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

General Annual Grant (GAG) must be used for the normal running costs of the academies. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Funding for the Teaching School are funding for the teaching school, relevant expenditure is allocated against this income.

Restricted Fixed Asset funds are resources which are to be applied to specific capital purposes.

Donations include restricted donations received for various projects during the year, for example the refurbishment of South Milford library and the Autism base project at Tadcaster Grammar.

# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 15 Funds (continued)

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

	Balance at 4 April 2018 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,690	(3,690)	-	-
Start-up grant	-	270	(270)	-	-
Pupil premium	-	2	(2)	-	-
Teaching school provision	-	25	(21)	-	4
Other grants	-	146	(146)	-	-
Donations	-	14	(14)	-	-
Pension reserve	-	(1,813)	(104)	346	(1,571)
	-	2,334	(4,247)	346	(1,567)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	-	59,230	(335)	-	58,895
DfE Group capital grants	-	-	-	-	-
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	-	59,230	(335)	-	58,895
<b>Total restricted funds</b>	-	61,564	(4,582)	346	57,328
<b>Total unrestricted funds</b>	-	708	(236)	-	472
<b>Total funds</b>	-	62,272	(4,818)	346	57,800

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**15 Funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019 £000</b>	<b>2018 £000</b>
Tadcaster Grammar School	(29)	35
Monk Fryston C of E Primary School	28	122
Riverside Primary School	58	84
Kellington Primary School	(43)	30
Kirk Fenton C of E Primary School	(90)	6
Saxton C of E Primary School	1	6
Appleton Roebuck Primary School	34	31
Sherburn Hungate Primary School	50	45
South Milford Primary School	39	67
Teaching School Alliance	84	-
Central services	138	46
 Total before fixed assets and pension reserve	 270	 472
 Restricted fixed asset fund	 59,317	 58,895
Restricted income fund	38	4
Pension reserve	(3,427)	(1,571)
<b>Total</b>	<b>56,198</b>	<b>57,800</b>



# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 15 Funds (continued)

##### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000	Total 2018 £000
Tadcaster Grammar School	5,913	683	674	801	8,071	2,429
Monk Fryston C of E Primary School	562	65	61	217	905	312
Riverside Primary School	1,231	115	189	352	1,887	565
Kellington Primary School	377	48	53	131	609	80
Kirk Fenton C of E Primary School	650	42	75	233	1,000	136
Saxton C of E Primary School	233	17	53	104	407	134
Appleton Roebuck Primary School	329	25	44	137	535	87
Sherburn Hungate Primary School	629	77	36	219	961	221
South Milford Primary School	476	53	100	231	860	197
Teaching School	-	10	-	59	69	0
Central services	122	87	61	147	417	218
<b>Academy trust</b>	<b>10,522</b>	<b>1,222</b>	<b>1,346</b>	<b>2,631</b>	<b>15,721</b>	<b>4,379</b>

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	57,937	57,937
Current assets	1,724	38	1,381	3,143
Current liabilities	(1,453)	-	-	(1,453)
Non-current liabilities	(2)	-	-	(2)
Pension scheme liability	-	(3,427)	-	(3,427)
<b>Total net assets / (liabilities)</b>	<b>270</b>	<b>(3,389)</b>	<b>59,317</b>	<b>56,198</b>

# The STAR Multi Academy Trust

## Notes to the Financial Statements

Year Ended 31 August 2019

### 16 Analysis of net assets between funds *(continued)*

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	58,861	58,861
Current assets	1,793	4	34	1,831
Current liabilities	(1,321)	-	-	(1,321)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,571)	-	(1,571)
<b>Total net assets</b>	<b>472</b>	<b>(1,567)</b>	<b>58,895</b>	<b>57,800</b>

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**17 Commitments under operating leases**

*Operating leases*

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

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Amounts due within one year	30	7
Amounts due between one and five years	20	39
Amounts due after five years	245	291
	<u>295</u>	<u>337</u>

**18 Reconciliation of net income / (expenditure) to net cash inflow from operating activities**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Net income / (expenditure) for the reporting period (as per the Statement of Financial Activities)	(350)	57,454
Adjusted for:		
Depreciation (note 11)	1,102	335
Transfer of fixed assets on conversion	-	(59,193)
Capital grants from DfE and other capital income	(1,524)	-
Defined benefit pension scheme obligation inherited	-	1,813
Defined benefit pension scheme cost less contributions payable (note 23)	567	91
Defined benefit pension scheme finance cost (note 23)	37	13
(Increase)/decrease in debtors	(458)	(730)
Increase/(decrease) in creditors	135	1,321
<b>Net cash provided by / (used in) operating activities</b>	<u>(492)</u>	<u>1,104</u>

**19 Cash flows from investing activities**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Purchase of tangible fixed assets	(178)	(3)
Capital grants from DfE Group	1,508	-
Other capital grants and donations	16	-
<b>Net cash provided by / (used in) investing activities</b>	<u>1,346</u>	<u>(3)</u>

**20 Analysis of cash and cash equivalents**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Cash at bank and in hand	1,955	1,101
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<u>1,955</u>	<u>1,101</u>

# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **21 Contingent liabilities**

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty to “equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs”. According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS 102 LGPS pension liability for the year. Full GMP indexation will be applied to the LGPS pension liability once changes to LGPS have been formally announced.

#### **22 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.

# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **23 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 North Yorkshire Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £186,666 (2018: £179,151) were payable to the schemes at 31 August 2019 and are included within creditors.

#### **Teachers' Pension Scheme**

##### ***Introduction***

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

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

##### ***Valuation of the Teachers' Pension Scheme***

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.



# **The STAR Multi Academy Trust**

## **Notes to the Financial Statements**

### **Year Ended 31 August 2019**

#### **23 Pension and similar obligations (continued)**

##### **Teachers' Pension Scheme (continued)**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to TPS in the period amounted to £1,618,699 (2018: £371,616).

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

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

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £641,000 (2018: £181,000), of which employer's contributions totalled £502,000 (2018: £142,000), and employees' contributions totalled £139,000 (2018: £39,000). The agreed contribution rates for future years are 19.2% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

##### **Past Service costs McCloud judgement**

Included in the figures for the LGPS is an amount of £259,000 relating to an approximate adjustment for the McCloud judgement. In December 2018 the court of appeal ruled in the 'McCloud/Sargeant' judgement that the transitional arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. In a ministerial statement dated 15 July 2019 Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements which included the LGPS.

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**23 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Principal Actuarial Assumptions**

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
Rate of increase in salaries	3.35%	3.35%
Rate of increase for pensions in payment / inflation	2.1%	2.10%
Discount rate for scheme liabilities	1.8%	2.80%
Inflation assumption (CPI)	2.1%	2.10%

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7

**Sensitivity analysis**

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	£000	£000
Discount rate +0.1%	9	6
Discount rate -0.1%	9	6
Mortality assumption - 1 year increase	9	6
Mortality assumption - 1 year decrease	9	6
CPI rate +0.1%	9	6
CPI rate -0.1%	9	6

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

	<b>Fair value at 31 August 2019</b>	<b>Fair value at 31 August 2018</b>
	£000	£000
Equities	3,317	2,845
Gilts	1,111	759
Property	435	370
Cash and other liquid assets	264	14
Other	601	698
<b>Total market value of assets</b>	<b>5,728</b>	<b>4,686</b>

The actual return on scheme assets was £290,000 (2018: £201,000).



# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 23 Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

##### *Amounts recognised in the statement of financial activities*

	2019 £000	2018 £000
Current service cost (net of employee contributions)	810	233
Past service cost	259	-
Net interest expense	37	13
Total operating charge	<u>1,106</u>	<u>246</u>

##### *Changes in the present value of defined benefit obligations were as follows:*

	2019 £000	2018 £000
<b>At 1 September</b>	6,257	-
Conversion of academy	-	6,179
Current service cost	810	233
Past service cost	259	-
Interest cost	179	49
Employee contributions	139	39
Actuarial (gain) / loss	1,400	(181)
Benefits paid	111	(62)
<b>At 31 August</b>	<u>9,155</u>	<u>6,257</u>

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

	2019 £000	2018 £000
<b>At 1 September</b>		
Upon conversion	4,686	4,366
Interest income	142	36
Actuarial gain / (loss)	148	165
Employer contributions	502	142
Employee contributions	139	39
Benefits paid	111	(62)
<b>At 31 August</b>	<u>5,728</u>	<u>4,686</u>

# The STAR Multi Academy Trust

## Notes to the Financial Statements

### Year Ended 31 August 2019

#### 24 Related Party Transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

#### 25 Agency arrangements

The Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £9,565 (2018 - £49,454), disbursed £6,815 (2018 - £nil) and had a brought forward unspent balance of £49,454 (2018 - £nil). Therefore, an amount of £52,204 (2018 - £49,454) repayable by the Trust at 31 August 2019 is included in other creditors.

#### 26 Financial Instruments

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Financial assets measured at amortised cost	1,975	1,660
Financial liabilities measured at amortised cost	873	1,134

**The STAR Multi Academy Trust**

**Notes to the Financial Statements**

**Year Ended 31 August 2019**

**27 Teaching school trading account**

	2019 £000	2019 £000	2019 £000	2018 £000	2018 £000	2018 £000
<b>Income</b>						
<i>Direct income:</i>						
Other income		55			25	
			55			25
<b>Expenditure</b>						
<i>Direct costs:</i>						
Direct staff costs	10			8		
Other direct costs	49			13		
Total direct costs		59			21	
Total expenditure			59			21
Transfers between funds excluding depreciation			-			-
<b>Surplus / (deficit) from all sources</b>			(4)			4
<b>Teaching school balances brought forward</b>			4			-
<b>Teaching school balances carried forward</b>			-			4

**28 Events after the balance sheet date**

After the year-end, two further academies joined the multi-academy trust, these were Brayton Church of England (Voluntary Controlled) Primary School which converted on 1 November 2019 and Sherburn High School which converted on 1 October 2019.