
THE STAR MULTI ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Hall J Hattam A Lee I Butler D Younge
Trustees	R Coy F Dodd (resigned 31 July 2021) T Fielden S Peacock K Sheppard A Smith C Thornton-Eckford, Chair P Wilson D Hastie
Company registered number	11291523
Company name	The STAR Multi Academy Trust
Principal and registered office	Tadcaster Grammar School Toulston Tadcaster LS24 9NB
Company secretary & Chief Operating Officer	M Boyes
Chief executive officer	I Yapp
Senior management team	A Commins, Headteacher, Appleton Roebuck Primary School H Humphries, Headteacher, Kellington Primary School K Williams, Headteacher, Kirk Fenton CE Primary School R Weights, Executive Headteacher, Monk Fryston & Saxton CoE Primary Schools A Woodward, Acting Headteacher, Riverside Primary School (appointed 12 April 2021) M Broom, Headteacher, Sherburn Hungate Primary School M Lawrence, Headteacher, South Milford Primary School A Parkinson, Headteacher, Tadcaster Grammar School M Oakley, Headteacher, Sherburn High School R Robinson, Headteacher, Brayton CE Primary
Independent auditors	Sagars Accountants Ltd Gresham House 5-7 St Paul's Street Leeds LS1 2JG

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors Stone King
13 Queen Square
Bath
BA1 2HJ

THE STAR MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The STAR MAT serves Tadcaster, Sherburn and surrounding rural localities. There are nine primary schools in the Trust and two secondary schools with sixth form provision. The Trust was established in April 2018. There were 4,151 pupils on role as reported on the October 2020 census.

Our strategic energy in 2020-21 year has very much been in two core aspects:

1. To ensure that our Trust has a full, secure and comprehensive response to the Covid-19 pandemic with regard health and safety, wellbeing and welfare, educational continuity and building the long term foundations for recovery
2. To ensure that Trust business and operations are kept on course despite the ongoing operational challenges; that the Trust infrastructure and capacity continues to develop as our Trust moves beyond its 'embryonic' phase.

Structure, governance and management

a. Constitution

The Academy is a charitable 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.

The Trustees of The STAR Multi Academy Trust 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 during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. 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. The Trust Board have completed a comprehensive skills audit process in July 2021 in preparation to recruit to the Trust Board in the Autumn term of 2021.

e. Policies 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.

f. Organisational structure

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,
- Making strategic decisions about the direction of the STAR MAT and
- Reviewing local governing body pay recommendations for school staff.

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. Due to the Covid-19 pandemic, the vast majority of these meetings during the 2020/21 academic year have progressed 'virtually.'

Headteachers, with their Local Governing Bodies (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 and finance and line manages recently implemented roles within Estates, Compliance and Operations and Policy development and coordination.

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. These Chairs' Forums have progressed in full, virtually, despite the pandemic and have proven an extremely beneficial means to evolve governance to suit need during what has been an atypical year.

The relationship between Members and Trustees, LGBs, Headteachers and the CEO, and their respective decision-making powers are outlined in The Scheme of Delegation and the Finance Manual, which are reviewed by the Board annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. 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, who are supported by an external education advisor and HR to provide advice and support.

h. Trade Union Facility Time

The STAR MAT has continued to buy into the North Yorkshire trade union facilities arrangement. This is included within the MAT central service fee. The total annual cost is expected to be £11.7k. Joint Consultation Meetings take place approximately 3 times a year, during the previous academic year (but will uplift to 6 times a year in 2021/22) chaired by the CEO, with union colleagues and HR in attendance on a range of policy and negotiation discussion items. Relationships are positive and productive and an agenda planner is in place along with a policy development cycle.

i. Engagement with employees (including disabled persons)

The Companies (Miscellaneous Reporting) Regulations 2018 introduced a requirement for companies with more than 250 employees to include a statement in their directors' (trustees') report summarising action taken during the period to introduce, maintain or develop arrangements aimed at:

- Providing employees with information on matters of concern to them
- Consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests
- Encouraging the involvement of employees in the company's performance
- Achieving a common awareness on the part of all employees of the factors affecting the performance of the company
- Its policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled person

During the 2020/21 academic year the formal People Strategy document has remained in draft but much of the practical work within has progressed. The re-worked master document is being consulted during the Autumn Term 2021 for consideration as a 2021-24 Strategy document.

During the academic year the Trust formally launched our Wellbeing Strategy as planned which included a whole workforce survey and into 2021/22 plans to introduce mental health First Aiders and other appropriate accreditations.

Also, during the reporting period, within our People Strategy work, we have significantly reviewed our 'single employer duties' with regard recruitment and Policy and processes are set to launch in the Autumn Term 2021.

Very significantly, throughout the most challenging of years, at Trust and individual school level we have maintained open, transparent, 2-way communications with our nearly 600 employees including with regard the complexities of risk assessment, risk mitigation and adherence to national guidance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

j. Engagement with suppliers, customers and others in a business relationship with the Trust

The Companies (Miscellaneous Reporting) Regulations 2018 introduced a requirement for large companies to include a statement in their directors' (trustees') report summarising how they have had regard to the need to foster the company's business relationship with suppliers, customers and others.

At the STAR MAT we take pride in maintaining strong, professional relationships with all parties:

- Routine meetings are held effectively and have been maintained throughout the pandemic, whilst they have been moved to a virtual or socially distanced environment.
- Our business processes ensure payments are made on time through an efficient and compliant system of controls.
- Through the pandemic we have appropriately maintained arrangements with contractors even when services have not been delivered, such as to support the supplier loss in income, following national guidance.

k. Related parties and other connected charities and organisations

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

Objectives and activities

a. 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."

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. 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 2020-2021 cover the following areas:

1. Recovery from the Covid-19 Pandemic by:

- Implement full re-opening of schools according to DfE guidance
- Implement baseline re-assessment of all pupils and students
- Develop cost-effective and research-tested catch-up initiatives across all ages and phases
- Re-align policies, expectations and curriculum
- Well-being awareness, identifying children/colleagues who may require support to overcome barriers to learning

2. Further secure safeguarding and well-being by:

- Develop consistent and robust safeguarding/SEND processes and practice across our Trust
- Develop consistent communication regarding safeguarding across the Trust
- Ensure statutory training renewal cycles are robust and effective and implement a common 'baseline of understanding' with all pupil/student-facing employees in key areas of educational psychology
- Ensure that within all elements of PSHCE/RSHE pupils/students within our Trust have equality of opportunity to both a proactive curriculum and reactive support and mentorship to support their well-being

3. Improve outcomes and opportunities for children by:

- Share and develop principles of best pedagogy across the Trust including innovations in the use of Digital Technology
- Implement and evaluate our progression framework in all curriculum subject areas from EYFS to Y9
- Further develop opportunities for shared curriculum planning across our Trust
- Embed our strategy for consistent assessment and reporting of pupil progress in our primary schools
- Develop a consistent approach for assessing and reporting student progress in our secondary schools at KS3-5
- Evaluate the effectiveness of our School Improvement Strategy and refine to link in with national Teaching School Hubs

4. Continue to develop our Finance, Estate and Resources by:

- 10-year estates action plan and safety action plan to address reactive and proactive programmes
- Compliance - roll out 'Every' building management tool
- BCP and policy consolidation
- Improve cleaning standards
- GDPR
- Trust v School contract register
- Contract metrics and KPIs

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

- Catering contract renewal
 - Policy Creation, Alignment and Implementation
 - Financial Control Framework
 - Management accounts & budget Monitoring
 - Budget management- creation and ownership
 - System controls and procedures
 - Develop KPIs and evaluation methodology for the central services offer
5. Further developing our People Strategy:
- harmonisation of expectations/requirements of staff; re-alignment of key Trust HR related policies
 - creation of a wellbeing plan which positively engages on well-being issues
 - refinement to recruitment processes, development and retention of staff
 - further develop communications, engagement and Trust 'culture'
 - a more effective appraisal and recognition process for all colleagues, including coherent links to learning and development
 - ensure equality and diversity are built into all aspects of Trust strategy
6. Further explore the benefits of partnership and growth by:
- Explore developing/improving relationships with other Trusts, Local Authorities and the Diocese where there may be mutual benefits
 - Ensure central structures and processes for due diligence and induction are aligned and ready to receive new schools
 - Consider sponsoring other schools when opportunities arise; review 'ideal growth parameters' for proactive recruitment of other schools into 2021/2022
 - Investigate possible funding streams that may be available from housing developers in our locality
 - Investigate ways in which we can ensure that our Sixth Form provision is sustainable
7. Further develop governance within the Trust by:
- Continue to develop and implement consistent Trust policies
 - Continue to Improve communication with LGBs and other stakeholders
 - Evaluate governance structures ready for 21/22 - capacity, skills, training and succession planning
 - Ensure effectiveness of governance in CE schools
 - Review the scheme of delegation to ensure that it is 'fit for purpose' on a yearly basis
 - Implement annual Trustee and LGB self-review
 - Commission an external peer review of the MAT
 - Review expectations of our Chairs of LGBs

c. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

a. Overview and key performance indicators

The Covid-19 Pandemic had significant impact throughout the 2020-21 academic year and on most aspects of Trust business. On-site education was at best intermittent with contact tracing impacting 'bubble' and year group closures, significant operational challenges through staff absence, wellbeing, bereavement and illness and of course at times periods of school closure and the challenge of short notice change to remote learning. By and large however, many aspects of the Trust Strategic Plan remained on course and were reported as such to the July Board meeting; at all stages this was made possible through the considerable endeavour of our remarkable workforce.

During the 2020-21 academic year, the Trustees measured key performance against the operational plan in these key areas:

- Recovery from Covid
- Safeguarding and Wellbeing
- Outcomes and Opportunities
- Finance, Estates and Resources
- Workforce
- Growth
- Governance

41 tasks were measured, and only 2 remained as red, or not completed. The tasks have been reviewed by the Trustees and the delay in their completion does not represent a risk to the Trust.

Other areas and considerations for 21/22:

Given the challenges of the year, we have managed, in the main, to at least embark on most elements of our Strategic Plan, including very detailed pieces of work in many areas. This alongside some very complex responsive challenges such as multiple iterations of risk assessments, Remote Learning Policy development and attempting to sustain positive communications and morale for our workforce, community and students. Some areas which need to carry forward are through pro-active choice because of the workload demands either centrally or on schools, some due to changes or temporary adjustment in DfE policy and some simply need to continue and embed.

Notable themes to carry forward:

- Continued delivery of 'catch up' and recovery; best use of assessment to tune in precision of teaching
- Facilitation of Trust-wide pedagogy groups including impact of digital technology
- Facilitation of curriculum groups including review of PSHE best practise and impact against Ofsted review of sexual abuse in schools and colleges
- Wellbeing strategy and linkage with People Strategy
- Review of impact of Equalities and Diversity – impact on workforce, community and young people
- Collation of Safeguarding Audits and action plans and evaluation report from recent NYCC audit
- SEND action plan for Trust
- Ensuring all aspects of our School Improvement Strategy are having best impact
- Readiness for growth and the wider implications of this

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Response to the Pandemic

Throughout the year the Trust has maintained a 'layered approach' to its response to the pandemic. The Chief Education Officer and Chief Operations Officer have ensured a rapid information flow is available to the Trust through subscriptions to the Confederation of Schools Trusts, Forum Strategy, chairing North Yorkshire Schools Forum and through the CEO being the education representative on the North Yorkshire Outbreak Management Advisory Board. Policy and guidance has been developed at Trust level using support from HR, Health and Safety and other contracts and then consulted with an in-house 'Cobra' Committee constituting Officers and Headteachers before taking to the main operational team to put into practice. The Trust Board have also delegated some authority to a Covid Task Force who have met at least half-termly.

The Trust has, on many occasions, been praised for its structured and effective response, by the NYCC team, as well as by staff and parents for the endeavour and communication in place to ensure educational continuity for our young people. At all times, all schools have maintained comprehensive, Trust approved risk assessments and maximised on-site attendance and where this has not proved possible, implemented a quality remote offer which has been scrutinised and reported to LGBs and Trust Board. Nonetheless, there has been considerable student and staff absence with varied and wide-ranging impact on student wellbeing and outcome. A comprehensive programme of diagnostic assessment has been implemented as part of the recovery strategy overlapping academic years as hopefully onsite attendance and full curriculum access is more secure moving forwards.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

c. Education

The Trust continues to operate a rigorous programme of self-evaluation and school improvement. A revised School Improvement Strategy was implemented for the academic year with primary schools reporting to LGBs on agreed data points in January, March and July. Because of the nuances of the year, these were not compared between schools, but were used diagnostically to allow for gaps analysis for individuals and cohorts, to best plan recovery interventions and to assist with school development planning and Trust Strategic Planning for 2021/22. Because of Covid-19 risk, much of our School Improvement Consultant work during the first two terms was either suspended or was conducted virtually; during the summer term however, a substantial amount of activity was complete apart from in those schools where contact tracing made this unviable.

As in 2019/20, in 2021 all elements of formal primary assessment were cancelled by the Department for Education due to the Covid-19 pandemic. For accountability purposes therefore, the most recent outcome data remains that from 2019: in 2019 outcomes for children at KS2 in the Trust's primary schools were encouraging but there is still the need to aim higher. Overall attainment was in line with national figures in all areas. Attainment was above national 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 and significantly above national at Monk Fryston CE and Saxton CE primaries.

The Trust now has an established 'Continuing Conversation' process which is embedded within the School Improvement Strategy. Every term each school has a deep challenge discussion, linked to its previous, which interlinks data, school improvement consultant deployment and reports, governance evaluations and other evidence. This is still an evolving process, due to the absence of public accountability data, but the summer term 2021 visits have allowed for summer revisions to both the School level Risk Register and the implementation of a detailed Governance Risk Register. In the autumn term 2021 some additional depth is being implemented with regard Church school risk.

The Trust has been involved in several inspection processes during the reporting period. In the early autumn term 2020 we were involved in 4 pilot research-based inspections with HMI with regard the return to on-site education, curriculum adjustments, wellbeing etc. In April 2021 Appleton Roebuck volunteered for one of only 25 regional pilot s5 2-day inspections which was again research into adaptations which might be necessary in order to resume inspections in a Covid environment. None of these had written outcomes, but all were extremely useful and developmental.

In June 2021, Brayton Primary was subject to a no notice, no formal designation 1 day safeguarding inspection from two HMI. The outcome letter is publicly available and is positive with safeguarding at the school found to be effective.

In 2021, GCSE and A level examinations were again cancelled. This year's results were processed through a further iteration of Centre Assessed Grades which were submitted to exam bodies for moderation and subsequently issued to students with possible right to appeal. The results gained at both KS4 and KS5 alongside the extremely low incidence of appeal demonstrates a real credit to the transparency of process in addition to the rigour and attention to detail. At both schools and at both key stages, outcomes were positively comparable to previous years with retention into year 12 and destination choice being favourable and extremely low prevalence of NEET.

Within our work on Curriculum Intent, during the academic year, the Trust has developed its own 'Deep Dive' suite of curriculum analysis materials to support subject inspections in schools. These will be trialled and rolled-out internally in schools during the autumn term 2021 and in January 2022 our Primary School Improvement

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Consultant (who is undergoing OFSTED training) will be leading training for our leaders on the suite of materials to aid consistency. Teams have also met to forward work with regard digital teaching and learning and early years pedagogy.

In the spring term the Trust Board extended the interim appointment of our Trust Safeguarding and Inclusion Lead, through to August 2022. This post will be reviewed during the Autumn Term 2021 for substantive advert in Spring 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

d. Resources

The Trust Central Team has embedded significantly during the reporting period. Capacity has been sufficient, despite the challenges through the pandemic.

The CEO post was made permanent on the 12th of April 2021 following a robust, external recruitment process. The Trust continues to benefit from 'School Conditions Allowance' (SCA). The level of funding allocated to date is £3.5 million. The Trust is forecasting a further allocation of around £1.7million anticipated next April.

This money will be spent on improving our ageing school buildings.

The projects completed during the reporting period include:

- New boilers and plant room refurbishments
- Roofing repairs for six of our schools
- A new reception area for a primary school – enhancing site security and safeguarding of students
- Site security or visitor systems for all schools
- Critical risk mitigation work to improve fire safety systems

Additional to the above premises works, it is of significance to note that NYCC expansion works at Sherburn Hungate were completed this academic year which doubled the capacity of the school to accommodate growth in the local area.

All necessary compliant systems, processes, controls, and policies have now been established. We have successfully undergone both regular internal and external scrutiny through audit, an SRMA (Schools Resource Management Advisor), and an independent review of our central services.

A new HR contract has been negotiated and commenced 1 September 2020 with very favourable quality of service to date. As an educational organisation, our most important resource is people. During the year, we commissioned and consulted on an external review of our People Strategy. Alongside our new HR provider, we have also procured a new cleaning contract, signed a new contract with our catering team and migrated to a new payroll provider.

The 2020-21 academic year has also seen us further develop our ICT Strategy. We have commissioned a full external school-by-school review of hardware and infrastructure, with the next step to look at a structured implementation plan.

Much partnership work has been undertaken, informally, during the academic year, and continues currently with Trusts locally, regionally and nationally, as well as with the local authority and Diocese as key partners, on wide ranging topics including school improvement, career development and training.

All our schools are clerked by City of York Governance Services as is the Board of Trustees. This continues to have significant impact on the consistency and quality of governance across the Trust and assists in keeping communication between governing bodies and the Trust board. The 2021/22 academic year will see the need for re-procurement of this service. The link Trustee role has been developed during the academic year, thereby ensuring our Trustees have more developed knowledge of link schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

e. Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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.

Financial review

a. Overview

The STAR MAT has had a successful financial period. Net incoming resources were £28,011k (2020 - £46,565k). Net current assets as at 31 August 2021 were £3,862k (2020 - £4,045k).

No schools have joined the Trust during the reporting period.

As at 31 August 2021 The STAR MAT had cash reserves of £5,804k (2020 - £4,672k).

The STAR MAT's income is derived in the main 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 2021 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 2019), 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.

b. 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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review (continued)

c. 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 a termly 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.

As at 31 August 2021 the Trust held the following reserves:

	2021
	£'000
Restricted General Fund	502
Restricted Fixed Asset Fund	81,723
Pension reserve	(7,590)
Unrestricted Fund	1,821
Total	76,456

The Trust's reserves policy states that a minimum level of 3% of GAG should be maintained. The Trust received £19.9 million in GAG in the academic year and has ended the year with £1,821k in unrestricted reserves. This level of reserves is above the £597.3k that is required by the policy.

It should be noted that although the total Trust reserve level is much higher than required, the Trust central reserves equate to £716k. The remainder of the reserve balance sits at school level.

The Trustees also require a contingency fund for capital works that is funded from the Schools Capital Allocation (SCA) grant. This year, £50k was set aside for emergency works.

d. 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 Executive 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review (continued)

e. 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. Of course some of this activity has been decreased during the pandemic.

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.

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.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy used data for the period 1 September 2020 to 31 August 2021	
Energy Consumption used to calculate emissions (kWh)	2,827,012
Energy consumptions break down (kWh) - optional	
• Gas	1,704,250
• Electricity	1,538,826
• Transport fuel	N/A
<u>Scope 1 emissions in metric tonnes CO₂e</u>	
Gas Consumption	313,922 kgCO ₂ e
Owned transport – (ie – mini buses_	N/A
Total Scope 1	313,922 kgCO ₂ e
<u>Scope 2 emissions in metric tonnes CO₂e</u>	
Purchased electricity	539,425kgCO ₂ e
<u>Scope 3 emissions in metric tonnes CO₂e</u>	
Business travel in employee owned vehicles	nil
<u>Total gross emissions in metric tonnes CO₂e</u>	853,347
<u>Intensity Ratio</u>	
<u>Tonnes CO₂e per pupil</u>	205 CO ₂ e per Pupil

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined Energy and Carbon Reporting (continued)

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector. The Trust has placed a bid for the Public Sector Low Carbon Skills Fund (LCSF), which allowed for LED lighting improvements in two of our schools.

Promoting the success of the company

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

The STAR Multi Academy Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit.

We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct, through parent and staff surveys, and indirect, through the involvement of parents and local people on our Local Governing Bodies and the Trust Board, ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders and consideration of the following factors.

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The overarching priority for the academic year 2021-22 and beyond is: Educational recovery, regeneration and advancement.

Intrinsically linked to our first priority but also with independent threads will be to:

- Continue to ensure that our Trust culture with regard safeguarding, inclusion and wellbeing is embedded and robust. Support for our students must positively benefit all aspects of student wellbeing, safety and equality of opportunity.
- Continue to develop Our Organisation as a Community Trust with collaborative approaches which benefit our young people's education and life chances, our employees and the wider community.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- That 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 auditors are 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 7 December 2021 and signed on its behalf by:



C Thornton-Eckford
Chair of Trustees

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Coy	8	9
F Dodd	7	9
T Fielden	8	9
S Peacock	9	9
K Sheppard	9	9
A Smith	9	9
C Thornton-Eckford, Chair	8	9
P Wilson	9	9
D Hastie	8	9

The Finance, Audit and Risk Committee is a sub-committee of the main board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Coy	2	3
T Fielden	3	3
A Smith	3	3
K Sheppard	3	3
C Thornton-Eckford	3	3
F Dodd	3	3
S Peacock	3	3
P Wilson	3	3
D Hastie	3	3

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Buying into the RPA scheme for insurance
- Re-tending contracts such as cleaning, payroll and broadband to maximise cost efficiency
- Participating in an ICFP 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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The STAR Multi Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The STAR MAT continues to appoint Moorlands Learning Trust to provide an internal audit to carry out a programme of internal checks.

Three audits were completed during the year:

- Governance & Risk Management - report date February 2021
- Data security & GDPR - report date April 2021
- Procurement follow-up audit - report date May 2021

A total of 27 recommendations were raised, of which 2 were rated as high, 13 medium and 12 low.

The 2 recommendations rated as high have been accepted by management and were prioritised during the year.

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:

- The work of the internal auditors;
- The work of The STAR MAT Board;
- The work of the external auditors;
- Legal services
- The work conducted by the School Resource Management Advisor (SRMA);
- The schools Resource Management Self-Assessment Tool (SRMSAT)

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

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 7 December 2021 and signed on their behalf by:



Claire Thornton - Eckford
Chair of Trustees



I Yapp
Accounting Officer

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The STAR Multi Academy Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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

Ian Yapp

I Yapp
Accounting Officer

Date: 7 December 2021

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



C Thornton-Eckford
Chair of Trustees

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
STAR MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of The STAR Multi Academy Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
STAR MULTI ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the trustees annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the trustees annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
STAR MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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'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 or to cease operations, or have no realistic alternative but to do so.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
STAR MULTI ACADEMY TRUST (CONTINUED)**

Auditors' 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 auditors' 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. Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and noncompliance with laws and regulations are set out below.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the academy trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Academies Accounts Direction and Academies Handbook issued by the Education & Skills Funding Agency, Companies Act 2006, together with the Charities SORP (FRS102) 2019.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the academy trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the academy trust for fraud. The laws and regulations we considered in this context were Regulations from the Education & Skills Funding Agency and requirements from funders.

Auditing standards limit the required audit procedures to identify noncompliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and donation income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing funding documents and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- reviewing any regulatory correspondence with the Education & Skills Funding Agency.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
STAR MULTI ACADEMY TRUST (CONTINUED)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed noncompliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect noncompliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Academy'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's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Seaman

Susan Seaman BA FCA CIOT (senior statutory auditor)

for and on behalf of

Sagars Accountants Ltd

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

7 December 2021

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 16th August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The STAR Multi Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The STAR Multi Academy Trust and the 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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'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
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Sagars

Reporting Accountant

Sagars Accountants Ltd

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

Date: 7 December 2021

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Income from:						
Donations and capital grants:	4					
Transfer on conversion		-	-	-	-	23,158
Other donations and capital grants		39	80	4,940	5,059	2,266
Charitable activities	5	554	22,269	-	22,823	20,978
Teaching schools	31	-	55	-	55	70
Other trading activities	6	74	-	-	74	93
Total income		667	22,404	4,940	28,011	46,565
Expenditure on:						
Charitable activities	8	97	23,205	1,715	25,017	22,581
Teaching schools	31	-	18	-	18	41
Total expenditure		97	23,223	1,715	25,035	22,622
Net income/(expenditure)		570	(819)	3,225	2,976	23,943
Transfers between funds	20	62	(119)	57	-	-
Net movement in funds before other recognised gains/(losses)		632	(938)	3,282	2,976	23,943
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	365	-	365	(602)
Net movement in funds		632	(573)	3,282	3,341	23,341

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	<i>As restated</i> Total funds 2020 £000
Reconciliation of funds:					
Total funds brought forward as previously stated	1,189	(6,515)	88,982	83,656	56,198
Prior year adjustment	-	-	(10,541)	(10,541)	(6,424)
Total funds brought forward as restated	1,189	(6,515)	78,441	73,115	49,774
Net movement in funds	632	(573)	3,282	3,341	23,341
Total funds carried forward	1,821	(7,088)	81,723	76,456	73,115

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 38 to 68 form part of these financial statements.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11291523

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2021 £000	<i>As restated</i> 2020 £000	<i>As restated</i> 2020 £000
Fixed assets					
Tangible assets	15		80,309		75,901
			80,309		75,901
Current assets					
Debtors	16	1,044		1,356	
Cash at bank and in hand		5,804		4,672	
			6,848	6,028	
Creditors: amounts falling due within one year	17	(2,986)		(1,983)	
Net current assets			3,862		4,045
Total assets less current liabilities			84,171		79,946
Creditors: amounts falling due after more than one year	18		(125)		(96)
Net assets excluding pension liability			84,046		79,850
Defined benefit pension scheme liability	26		(7,590)		(6,735)
Total net assets			76,456		73,115
Funds of the Academy					
Restricted funds:					
Fixed asset funds	20	81,723		78,441	
Restricted income funds	20	502		220	
			82,225	78,661	
Restricted funds excluding pension asset	20		82,225	78,661	
Pension reserve	20		(7,590)	(6,735)	
Total restricted funds	20		74,635	71,926	
Unrestricted income funds	20		1,821	1,189	
Total funds			76,456	73,115	

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11291523

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 33 to 68 were approved by the Trustees, and authorised for issue on 07 December 2021 and are signed on their behalf, by:

C Thornton-Eckford



The notes on pages 38 to 68 form part of these financial statements.

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	<i>As restated</i> <i>2020</i> <i>£000</i>
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(162)	1,575
Cash flows from investing activities	23	1,294	1,142
Change in cash and cash equivalents in the year		1,132	2,717
Cash and cash equivalents at the beginning of the year		4,672	1,955
Cash and cash equivalents at the end of the year	24	<u>5,804</u>	<u>4,672</u>

The notes on pages 38 to 68 form part of these financial statements

THE STAR MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. 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 1. The nature of the Trust's operations is set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE STAR MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Income

All incoming resources are recognised when the Academy 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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy 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 'Stocks' 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'.

• **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

THE STAR MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Taxation

The Academy 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 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.

2.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Long-term leasehold property	- Over 15 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 and reclassified to freehold or leasehold land and buildings.

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

Land & Buildings relating to church schools are not recognised on the balance sheet but non church school Land Buildings are included on the balance sheet.

2.7 Debtors

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

2.8 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 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.

2.9 Provisions

Provisions are recognised when the Academy 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.

THE STAR MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.11 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

Retirement benefits to employees of the Academy 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in a separate trustee administered fund. 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.13 Conversion to an academy trust

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

Last year the assets and liabilities transferred on conversion from Brayton C of E Primary School and Sherburn High School to the Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Academy Trust occupies school buildings which are owned by site trustees which have links with the Diocese. The site trustees are the providers of the land and buildings on the same basis as when the academy was a maintained school. The Academy Trust occupies the land and buildings under a mere licence. The continuing permission of the site trustees is pursuant to, and subject to, the relevant trust's charitable objects. The licence delegates aspects of the management of the land and buildings to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The site trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years written notice to terminate the occupation of the land and buildings. Having considered the facts under which the Academy Trust is occupying the land and buildings the Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the academy.

2.14 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 the agency arrangements note.

2.15 Fund accounting

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Donations	39	80	2,539	2,658	55
Capital Grants	-	-	2,401	2,401	2,211
Transfer on conversion	-	-	-	-	23,158
	<u>39</u>	<u>80</u>	<u>4,940</u>	<u>5,059</u>	<u>25,424</u>
<i>Total 2020 as restated</i>	<u>229</u>	<u>(1,813)</u>	<u>27,008</u>	<u>25,424</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Funding for the Academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	19,909	19,909	18,295
Start-up Grants	-	(63)	(63)	120
Universal Free School Meals	-	305	305	275
Pupil Premium	-	495	495	437
PE and Sports Grant	-	248	248	150
Other DfE Group Grants	-	226	226	-
	-	21,120	21,120	19,277
Other Government grants				
Early Years Funding	-	302	302	331
SEN Funding	-	406	406	376
	-	708	708	707
Other income from the academy trust's educational operations	554	-	554	972
	554	-	554	972
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	375	375	-
Other DfE/ESFA Covid-19 funding	-	31	31	-
	-	406	406	-
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme Grant	-	35	35	22
	554	22,269	22,823	20,978
<i>Total 2020</i>	972	20,006	20,978	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Letting income	74	74	93
<i>Total 2020</i>	93	93	

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	<i>As restated Total 2020 £000</i>
Educational operations:					
Direct costs	16,744	-	1,073	17,817	16,837
Allocated support costs	2,412	3,284	1,504	7,200	5,744
Teaching school	14	-	4	18	41
Total 2021	19,170	3,284	2,581	25,035	22,622
<i>Total 2020 as restated</i>	<i>17,005</i>	<i>2,808</i>	<i>2,809</i>	<i>22,622</i>	

THE STAR MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Educational operations	97	24,920	25,017	22,581
<i>Total 2020 as restated</i>	641	21,940	22,581	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Educational operations	17,817	7,200	25,017	22,581
<i>Total 2020 as restated</i>	16,837	5,744	22,581	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Staff costs	2,412	2,412	1,597
Depreciation	1,715	1,715	1,460
Premises costs	1,569	1,569	1,348
Other support costs	1,283	1,283	1,113
Other non pay support staff costs	176	176	186
Governance costs	45	45	40
	<u>7,200</u>	<u>7,200</u>	<u>5,744</u>
<i>Total 2020</i>	<u>5,744</u>	<u>5,744</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	<i>As restated 2020 £000</i>
Operating lease rentals	70	75
Depreciation of tangible fixed assets	1,715	1,459
Fees paid to auditors for:		
- audit	18	18
	<u>18</u>	<u>18</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	13,555	<i>12,186</i>
Social security costs	1,214	<i>1,087</i>
Pension costs	4,112	<i>3,492</i>
	18,881	<i>16,765</i>
Agency staff costs	274	<i>181</i>
Staff restructuring costs	14	<i>61</i>
	19,169	<i>17,007</i>

Staff restructuring costs comprise:

	2021	<i>2020</i>
	£000	<i>£000</i>
Redundancy payments	14	<i>61</i>
	14	<i>61</i>

b. Non-statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £14,000 (2020 - £61,000). Individually the payments were £14,000 (2020 - £30,000, £20,000, £8,000 and £3,000.)

c. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	213	<i>216</i>
Administration and support	316	<i>299</i>
Management	35	<i>36</i>
	564	<i>551</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff costs (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	7	6
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	2
In the band £110,001 - £120,000	1	-
	<u><u>14</u></u>	<u><u>11</u></u>

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the CEO and COO. 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 £224,564 (2020: £205,670).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Central services

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

- 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 charges for these services on the following basis:

3% of GAG and Early Years Funding

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Tadcaster Grammar School	398	<i>215</i>
Monk Fryston C of E Primary School	46	<i>22</i>
Riverside Primary School	86	<i>45</i>
Kellington Primary School	29	<i>15</i>
Kirk Fenton C of E Primary School	48	<i>23</i>
Saxton C of E Primary School	20	<i>10</i>
Appleton Roebuck Primary School	31	<i>15</i>
Sherburn Hungate Primary School	48	<i>26</i>
South Milford Primary School	44	<i>20</i>
Sherburn High School	213	<i>103</i>
Brayton C of E Primary School	74	<i>33</i>
Total	1,037	<i>527</i>

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Trustees' and Officers' insurance

The Academy 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 membership.

15. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2020 (as previously stated)	89,161	114	261	89,536
Prior Year Adjustment	(10,895)	-	-	(10,895)
At 1 September 2020 (as restated)	78,266	114	261	78,641
Additions	5,500	307	316	6,123
At 31 August 2021	83,766	421	577	84,764
Depreciation				
At 1 September 2020 (as previously stated)	2,994	34	66	3,094
Prior Year Adjustment	(354)	-	-	(354)
At 1 September 2020 (as restated)	2,640	34	66	2,740
Charge for the year	1,574	48	93	1,715
At 31 August 2021	4,214	82	159	4,455
Net book value				
At 31 August 2021	79,552	339	418	80,309
At 31 August 2020 (as restated)	75,626	80	195	75,901

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. Tangible fixed assets (continued)

The Academy Trust occupies school buildings which are owned by site trustees which have links with the Diocese. The site trustees are the providers of the land and buildings on the same basis as when the academy was a maintained school. The Academy Trust occupies the land and buildings under a mere licence. The continuing permission of the site trustees is pursuant to, and subject to, the relevant trust's charitable objects. The licence delegates aspects of the management of the land and buildings to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The site trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years written notice to terminate the occupation of the land and buildings. Having considered the facts under which the Academy Trust is occupying the land and buildings the Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the academy.

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, Riverside Community Primary School and Sherburn High School over a term of 125 years at a peppercorn rent.

Additionally, a separate area of leasehold land relating to the Playing fields at Brayton Church of England Primary School has been made available to the Trust in the prior year over a term of 125 years at a peppercorn rent and has been recognised in the balance sheet at fair value at the time of conversion.

During the year a building was built for the use of Sherburn Hungate School. Trustees have valued the donation on the same basis as if it were a transfer of a building on conversion and an equivalent amount has been included in donation's income on the statement of financial activity.

A prior year adjustment is included above, as detailed in note 19, resulting in the restated 31 August 2020 figures.

16. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	61	<i>11</i>
Other debtors	447	<i>833</i>
Prepayments and accrued income	536	<i>512</i>
	1,044	<i>1,356</i>

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17. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Trade creditors	1,140	708
Other taxation and social security	296	273
Other creditors	400	406
Accruals and deferred income	1,150	596
	2,986	<i>1,983</i>
	2,986	<i>1,983</i>
	2021	<i>2020</i>
	£000	<i>£000</i>
Deferred income at 1 September 2020	361	396
Resources deferred during the year	394	361
Amounts released from previous periods	(361)	(396)
	394	<i>361</i>
	394	<i>361</i>

At the balance sheet date the academy trust was holding funds received in advance for free school meals was £178,048 (2020: £181,354), rates relief was £46,318 (2020: £46,157), school trips was £128,326 (2020: £121,845) and other deferred income was £41,680 (2020: £11,713).

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Other creditors	125	96
	125	<i>96</i>

Included within other creditors is a balance of £100,000 (2020: £75,000) which relates to a commitment to set aside an amount annually to provide for the cost of resurfacing the 3G pitch at Sherburn High School when required.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Prior year adjustment

Reconciliation of total funds	1 September 2019
	£000's
Total funds brought forwards previously reported	56,198
Diocesan owned Land & Buildings cost	(6,581)
Diocesan owned Land & Buildings depreciation	157
Total funds brought forward restated	49,774
Adjusted net movement in funds	23,341
Total funds carried forward	73,115
Reconciliation of net income	31 August 2020
	£000's
Net income previously reported	27,458
Removal of assets transferred on conversion	(4,314)
Reduction in depreciation charged in year	197
Net income restated	23,341

In previous years all occupied land and buildings were recognised within the academy trust's Balance Sheet as a Tangible Fixed Asset. After a full review of the academy trust's land and buildings accounting policies and recognition criteria, the directors took the decision to remove the diocesan owned land and buildings from the Trust's Balance Sheet.

Diocesan owned land and buildings are occupied under a mere licence which is terminable by giving two years notice. The majority of the risks and rewards of ownership remain with the diocese. Given the nature of the mere licence the land and buildings have more characteristics of a rolling short term lease with a two year notice period of termination. Under FRS 102 current guidance this would be treated as an operating lease rather than a finance lease therefore not included as a tangible fixed asset.

Consideration of substance over form: the academy trust could be asked to vacate the Diocesan owned land and buildings with a two year notice period which would result in the closure of the academy or transfer of the academy to another location. Since there is no ongoing right to use a Diocesan owned land and building beyond two years the academy trust should not recognise the Diocesan owned land and buildings as a tangible fixed asset in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds - all funds	1,189	667	(97)	62	-	1,821
Restricted general funds						
General Annual Grant (GAG)	-	19,909	(19,681)	29	-	257
Pupil Premium	-	495	(495)	-	-	-
Teaching school provision	29	55	(18)	(29)	-	37
Other grants	92	1,928	(1,729)	(83)	-	208
Donations	11	80	(80)	(11)	-	-
Start-up Grants	88	(63)	-	(25)	-	-
Pension reserve	(6,735)	-	(1,220)	-	365	(7,590)
	(6,515)	22,404	(23,223)	(119)	365	(7,088)
Restricted fixed asset funds						
Transfer on conversion	74,796	-	(1,496)	-	-	73,300
Dfe Group capital grants	3,629	2,401	(219)	(62)	-	5,749
Private Sector capital sponsorship	16	-	-	-	-	16
Capital donations	-	2,539	-	-	-	2,539
Capital expenditure from restricted general funds	-	-	-	119	-	119
	78,441	4,940	(1,715)	57	-	81,723

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20. Statement of funds (continued)

	As restated Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Total Restricted funds	71,926	27,344	(24,938)	(62)	365	74,635
Total funds	73,115	28,011	(25,035)	-	365	76,456

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 2021.

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.

The balances carried forward on start up grants and other grants (which relates to sports grant) will be spent in accordance with the funding agreements.

The transfer from fixed asset fund to unrestricted funds of £62,000 relates to the salary of the estate manager.

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Tadcaster Grammar School	496	107
Monk Fryston C of E Primary School	140	102
Riverside Primary School	130	75
Kellington Primary School	46	(26)
Kirk Fenton C of E Primary School	(8)	(45)
Saxton C of E Primary School	38	6
Appleton Roebuck Primary School	-	45
Sherburn Hungate Primary School	125	96
South Milford Primary School	63	71

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20. Statement of funds (continued)

	2021	<i>2020</i>
	£000	<i>£000</i>
Teaching School Alliance	78	99
Sherburn High School	467	453
Brayton C of E Primary School	32	43
Central Services	716	383
	2,323	<i>1,409</i>
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	81,723	<i>78,441</i>
Pension reserve	(7,590)	<i>(6,735)</i>
	76,456	<i>73,115</i>
Total	76,456	<i>73,115</i>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit
	£000
Kirk Fenton C of E Primary School	(8)
	(8)

Kirk Fenton has reduced their deficit from £45k to £8k in the 2020-21 academic year. This is due to robust financial management monitoring that is in place for the school. Their deficit was a result of an inconsistent PAN. This was changed and increased pupil numbers will result in a balanced or better financial position for the year ending 31 August 2022.

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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	<i>Total 2020 £000</i>
Tadcaster Grammar School	5,475	1,311	519	902	8,207	7,806
Monk Fryston C of E Primary School	436	252	104	124	916	798
Riverside Primary School	928	619	169	229	1,945	1,760
Kellington Primary School	256	204	62	51	573	576
Kirk Fenton C of E Primary School	499	257	77	148	981	843
Saxton C of E Primary School	202	69	48	51	370	363
Appleton Roebuck Primary School	332	183	72	103	690	522
Sherburn Hungate Primary School	584	324	144	134	1,186	949
South Milford Primary School	462	221	96	133	912	746
Teaching School Alliance	-	14	1	32	47	41
Sherburn High School	2,882	1,062	326	546	4,816	3,694
Brayton C of E Primary School	825	452	117	214	1,608	1,184
Central Services	131	368	60	510	1,069	1,880
Academy	13,012	5,336	1,795	3,177	23,320	21,162

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20. Statement of funds (continued)

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

	<i>As restated Balance at 1 September 2019 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>As restated Balance at 31 August 2020 £000</i>
Unrestricted funds					
General Funds - all funds	270	1,294	(375)	-	1,189
Restricted general funds					
General Annual Grant (GAG)	-	18,295	(18,295)	-	-
Pupil Premium	-	437	(437)	-	-
Teaching school provision	-	70	(41)	-	29
Other grants	38	1,154	(1,100)	-	92
Donations	-	11	-	-	11
Start-up Grants	-	120	(32)	-	88
Pension reserve	(3,427)	(1,824)	(882)	(602)	(6,735)
	<u>(3,389)</u>	<u>18,263</u>	<u>(20,787)</u>	<u>(602)</u>	<u>(6,515)</u>
Restricted fixed asset funds					
Transfer on conversion	51,369	24,797	(1,370)	-	74,796
Dfe Group capital grants	1,508	2,211	(90)	-	3,629
Private Sector capital sponsorship	16	-	-	-	16
	<u>52,893</u>	<u>27,008</u>	<u>(1,460)</u>	<u>-</u>	<u>78,441</u>
Total Restricted funds	<u>49,504</u>	<u>45,271</u>	<u>(22,247)</u>	<u>(602)</u>	<u>71,926</u>
Total funds	<u><u>49,774</u></u>	<u><u>46,565</u></u>	<u><u>(22,622)</u></u>	<u><u>(602)</u></u>	<u><u>73,115</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	80,309	80,309
Current assets	4,932	502	1,414	6,848
Creditors due within one year	(2,986)	-	-	(2,986)
Creditors due in more than one year	(125)	-	-	(125)
Provisions for liabilities and charges	-	(7,590)	-	(7,590)
Total	1,821	(7,088)	81,723	76,456

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>As restated Restricted fixed asset funds 2020 £000</i>	<i>As restated Total funds 2020 £000</i>
Tangible fixed assets	-	-	75,901	75,901
Current assets	3,268	220	2,540	6,028
Creditors due within one year	(1,983)	-	-	(1,983)
Creditors due in more than one year	(96)	-	-	(96)
Provisions for liabilities and charges	-	(6,735)	-	(6,735)
Total As restated	1,189	(6,515)	78,441	73,115

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NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net income to net cash flow from operating activities

	2021	<i>As restated</i>
	£000	<i>2020</i>
		<i>£000</i>
Net income for the year (as per statement of financial activities)	2,976	23,943
Adjustments for:		
Depreciation	1,715	1,460
Capital grants from DfE and other capital income	(4,940)	(2,211)
Defined benefit pension scheme obligation inherited	-	1,824
Defined benefit pension scheme cost less contributions payable	1,113	797
Defined benefit pension scheme finance cost	107	85
Decrease/(increase) in debtors	312	(168)
Increase in creditors	1,032	624
Fixed assets transferred on conversion	-	(24,779)
Non cash donation on transfer of new school	(2,477)	-
Net cash (used in)/provided by operating activities	(162)	<i>1,575</i>

23. Cash flows from investing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets	(3,646)	(1,069)
Capital grants from DfE Group	4,940	2,211
Net cash provided by investing activities	1,294	<i>1,142</i>

24. Analysis of cash and cash equivalents

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash in hand	5,804	4,672
Total cash and cash equivalents	5,804	<i>4,672</i>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Capital commitments

	2021	<i>2020</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	115	<i>291</i>
	<u><u>115</u></u>	<u><u>291</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £345,232 were payable to the schemes at 31 August 2021 (2020 - £319,549) and are included within creditors.

Teachers' Pension Scheme

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 latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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26. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £2,144,468 (2020 - £1,989,989).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,091,000 (2020 - £934,000), of which employer's contributions totalled £857,000 (2020 - £731,000) and employees' contributions totalled £ 234,000 (2020 - £203,000). The agreed contribution rates for future years are 19.2 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.85	3.55
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.0	23.9
<i>Retiring in 20 years</i>		
Males	23.6	23.5
Females	25.8	25.7

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate +0.1%	19,690	<i>16,252</i>
Discount rate -0.1%	20,658	<i>17,052</i>
Mortality assumption - 1 year increase	19,428	<i>16,053</i>
Mortality assumption - 1 year decrease	20,941	<i>17,268</i>
CPI rate +0.1%	20,255	<i>16,719</i>
CPI rate -0.1%	20,093	<i>16,585</i>

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

	At 31	<i>At 31 August</i>
	August 2021	<i>2020</i>
	£000	<i>£000</i>
Equities	7,587	<i>5,871</i>
Gilts	1,800	<i>1,983</i>
Corporate bonds	516	<i>-</i>
Property	768	<i>655</i>
Cash and other liquid assets	214	<i>357</i>
Other	1,699	<i>1,051</i>
Total market value of assets	12,584	<i>9,917</i>

The actual return on scheme assets was £1,805,000 (2020 - £959,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Current service cost	(1,970)	<i>(1,528)</i>
Interest cost	(107)	<i>(85)</i>
Total amount recognised in the Statement of financial activities	(2,077)	<i>(1,613)</i>

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26. Pension commitments (continued)

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	16,652	<i>9,155</i>
Conversion of academy trusts	-	<i>4,187</i>
Current service cost	1,970	<i>1,528</i>
Interest cost	283	<i>235</i>
Employee contributions	234	<i>203</i>
Actuarial losses	1,264	<i>1,411</i>
Benefits paid	(229)	<i>(67)</i>
At 31 August	20,174	<i>16,652</i>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	9,917	<i>5,728</i>
Conversion of academy trusts	-	<i>2,363</i>
Interest income	176	<i>150</i>
Actuarial gains	1,629	<i>809</i>
Employer contributions	857	<i>731</i>
Employee contributions	234	<i>203</i>
Benefits paid	(229)	<i>(67)</i>
At 31 August	12,584	<i>9,917</i>

27. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Not later than 1 year	65	<i>47</i>
Later than 1 year and not later than 5 years	149	<i>172</i>
	214	<i>219</i>

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28. 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.

29. Related party transactions

K Sheppard, spouse of K N Sheppard, a trustee, is employed by the academy trust as a teaching assistant. K Sheppard's appointment was made in open competition and K N Sheppard was not involved in the decision-making process regarding appointment. K Sheppard is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

30. 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 £45,554 (2020 - £58,932), disbursed £39,561 (2020 - £28,157) and had a brought forward unspent balance of £5,993 (2020 - £52,204). Therefore, an amount of £55,957 (2020 - £82,980) repayable by the Trust at 31 August 2021 is included in other creditors.

31. Teaching school trading account

	2021	2021	<i>2020</i>	<i>2020</i>
	£000	£000	<i>£000</i>	<i>£000</i>
Income				
Direct income				
Other income	55		70	
Total income		55		<i>70</i>
Expenditure				
Direct expenditure				
Direct staff costs	14		26	
Other direct costs	4		15	
Total direct expenditure	<u>18</u>		<u>41</u>	
Total expenditure		18		<i>41</i>
Surplus from all sources		37		<i>29</i>
Teaching school balances at 1 September 2020		29		<i>-</i>
Teaching school balances at 31 August 2021		66		<i>29</i>