



Star Academies
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2022



Company Registration Number:
07353849 (England and Wales)

Contents

	Page
Reference and Administrative Details	2
Trustees' Report	3 – 20
Governance Statement	21 – 29
Statement on Regularity, Propriety and Compliance	30
Statement of Trustees' Responsibilities	31
Independent Auditor's Report on the Financial Statements	32 – 35
Independent Reporting Accountant's Report on Regularity	36 – 37
Statement of Financial Activities incorporating Income & Expenditure Account	38
Balance Sheet	39-40
Statement of Cash Flows	41
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	42 – 47
Other Notes to the Financial Statements	48 – 75

Abbreviations

STAR – Star Academies	CPI – Consumer Price Index
TIBHS – Tauheedul Islam Boys' High School	DfE – Department for Education
TIGHS – Tauheedul Islam Girls' High School	ESFA – Education and Skills Funding Agency
OBL – Olive School Blackburn	FRS – Financial Reporting Standard
OHA – Olive School Hackney	GAG – General Annual Grant
EBB – Eden Boys' School Bolton	TPS – Teachers' Pension Scheme
EGC – Eden Girls' School Coventry	LGPS – Local Government Pension Scheme
EGW – Eden Girls' School Waltham Forest	LCPF – Lancashire County Pension Fund
EBP – Eden Boys' School Preston	WYPF – West Yorkshire Pension Fund
EBM – Eden Boys' School Birmingham	WMPF – West Midlands Pension Fund
EGS – Eden Girls' School Slough	SCR – Standard Contribution Rate
HLA – Highfield Leadership Academy	SERPS – State Earnings-Related Pension Scheme
LLA – Laisterdyke Leadership Academy	LIGHT – Light Trust
OBO – Olive School Bolton	SHINE – Shine Charity
OPR – Olive School Preston	SCITT – School-Centred Initial Teacher Training
OBI – Olive School Birmingham	NPQ – National Professional Qualification
TLA – Tong Leadership Academy	SLDT – School-Led Development Trust
MEG – Eden Girls' Leadership Academy, Manchester	
MEB – Eden Boys' Leadership Academy, Manchester	
PTH – Thornbury Primary Leadership Academy	
PHC – High Craggs Primary Leadership Academy	
PBA – Barkerend Primary Leadership Academy	
PBL – Bay Leadership Academy	
SLA – Small Heath Leadership Academy	
SBE – Eden Boys' School Birmingham East	
SVA – The Valley Leadership Academy	
PSH – Olive Small Heath	
SGB – Eden Girls' Leadership Academy, Birmingham	
SBR – Eden Boys' Leadership Academy, Bradford	
PRA – Rainbow Primary Leadership Academy	
SST – Starbank School	
SOU – Oulder Hill Leadership Academy	



Reference and Administrative Details

For the Year Ended 31 August 2022

Members	Kamruddin Isap Kothia OBE, DL (Chair) Faruk Dasu (Light Trust) Martin Ainscough CBE, DL Harry Catherall Dame Julia Cleverdon DCVO, CBE Mohamed Isap The Rt Hon. Lord Charles Shuttleworth KG, KCVO Rt Hon Jack Straw Sir Michael Wilshaw
Trustees	Kamruddin Isap Kothia OBE, DL (Chair) Dr Carol Costello # Faruk Dasu # Harry Devonport Major General David Eastman MBE (<i>resigned July 2022</i>) Mark Hageman Mohamed Isap Kevin Jaquiss # Fiona Jordan Peter McKee Sir Mufti Hamid Patel CBE Imraan Patel Gareth Stevens Rt Hon Jack Straw Major General Swift OBE (<i>appointed July 2022</i>) # Members of the Audit and Risk Committee
Chief Executive and Accounting Officer	Sir Mufti Hamid Patel CBE
Senior Management Team	Executive Director: Capital Programmes – David Holland Executive Director: Communication and Development – Dr Kathryn Chorlton Executive Director: Education – Lisa Crausby Executive Director: Education – Lukman Ahmed
Company Name	Star Academies
Principal and Registered Office	Shadsworth Road, Blackburn, Lancashire, BB1 2HT
Company Registration Number	07353849 (England and Wales)
Independent Auditor	Beever and Struthers, Chartered Accountants, Suite 9b, The Beehive Drive, Shadsworth Business Park, Blackburn, BB1 2QS
Bankers	Lloyds Bank, Church Street, Blackburn, Lancashire, BB2 1JQ
Solicitors	Hill Dickinson, 1 St Paul's Square, Liverpool, Merseyside, L3 9SJ



Trustees' Report

For the Year Ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Oulder Hill Leadership Academy joined the Trust, which now operates 31 schools (10 primary, 20 secondary and 1 all-through schools across the Lancashire, Greater Manchester, West Yorkshire, Midlands and London areas). These academies had a combined pupil number of 21,046 at the end of the 2021/22 academic year.

Work continues to secure the opening of five schools approved in Wave 13 and 14 of the free schools' programme – Star Salford Academy which is scheduled for opening in September 2023; and Rochdale, Radcliffe, Wolverhampton and Manchester although no target dates have yet been agreed for these.

Star has continued to build strategic partnerships that place it at the forefront of national education developments. As a founder member of the School-Led Development Trust (SLDT), along with Harris Federation, Oasis Community Learning and Outwood Grange Academies Trust, Star is establishing the National Institute of Teaching for flagship provision that will deliver golden thread professional development for teachers and school leaders throughout their careers. The National Institute will have a research and development function that will enable teachers to remain at the pedagogical cutting edge of the profession. SLDT aims to incubate and disseminate excellent practice for the benefit of the entire education sector.

Star's profile as an excellent provider of CPD has been secured through the renowned Star Institute, including Star Teachers SCITT, which was judged outstanding by Ofsted at its inaugural inspection in 2019, and its three teaching school hubs.

Star's partnership with Eton College is a further powerful statement of the trust's commitment to innovative partnerships as it plans innovative new sixth form provision, making 'levelling up' a reality. This has been progressed during the year with the development of bids to the Wave 15 of the free schools' programme for submission in November 2022.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Star Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as Star Academies.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice Star has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim as shown in note 12 to the accounts.



Trustees' Report

For the Year Ended 31 August 2022

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in accordance with the Articles of Association, they are appointed for four years and may be re-appointed.

In selecting new Trustees, the Trust seeks to identify people who are willing to commit their time and skills for the advancement of the purposes of Star, adding value to the leadership of the Trust and ensuring good governance is secured.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following appointment all new Trustees receive an introduction to their role from the Chair and Chief Executive. This introduction includes the opportunity for tours to school sites and meeting members of a school's Senior Leadership Team.

The Trust has an annual development and support programme for Trustees. The Trust's Head of Governance ensures new Trustees receive sufficient support and information to enable them to discharge their role. All Trustees are required to sign and adhere to the Code of Conduct held by the Trust.

Organisational Structure

The Trustees are responsible for the general control and management of the Trust. The Trustees give their time freely and receive no remuneration or other financial benefits, other than the Trust Chief Executive who also serves as a Trustee. The Trustees act as the governors of Star and are also the directors of the charitable company for the purposes of company law.

The Trustees meet termly and are responsible for all decisions taken in relation to the activities provided by Star. The Trustees have established an Audit and Risk Committee that meets termly to ensure the independent checking of financial controls, systems, transactions and risks.

The Trust has delegated some decision making to additional Trustee committees and the local governing bodies of its schools. The Trust has a clear scheme of delegation regarding the delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day-to-day operational capacity of the Trust.

The trust has completed an internal governance review and made new arrangements to come into effect from September 2022. These will strengthen lines of accountability and signal an enhanced role for the local accountability boards that replace local governing bodies.

The Trust, as a multi-academy trust, has a Central Office to support its academies in relation to their business support and academic standards. The Trust Chief Executive is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trust has a Nomination and Remuneration Committee that has responsibility for agreeing the pay of the Chief Executive. The Committee is supported in this role by External Pay Specialists who have been engaged for this task. Senior Leadership Team pay is set by reference to benchmarking and comparison of pay with other roles in the sector.



Trustees' Report

For the Year Ended 31 August 2022

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017, which put in place provisions in the Trade Union Act 2016 requiring relevant public sector employers to publish specified information related to facility time provided to trade union officials.

In line with the regulations, Star Academies is required to publish the following information for the period 1 April 2021 to 31 March 2022 relating to trade union officials and facility time:

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period 0

Full-time employee number 0

Percentage of working hours spent on facility time:

0% 0

1 to 50% 0

51 to 99% 0

100% 0

Percentage of the pay bill spent on facility time:

Total cost of facility time £0

Total pay bill £89,314,619

Percentage of pay spent on facility time 0%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours 0%



Trustees' Report

For the Year Ended 31 August 2022

Related Parties and other Connected Charities and Organisations

Light Trust is a non-operational Foundation Body, is a Member of Star Academies and can appoint further Members.

Shine Charity is not a connected charity to Star Academies. Shine Charity delivers Star Academies corporate social responsibility programme. It aims to:

- To empower young people to make a difference to their communities - local, national and international
- To equip young people with the skills and knowledge to lead social action, contribute to issues they care about and shape decisions that affect them
- To help employers fulfil their corporate social responsibility, connect charities with young people and maximise the community impact of schools

A Member and Director of the Academy Trust is also a Director of Careers and Enterprise Company Limited, a company that supports schools and colleges in careers education. The company is a connected company and not a related party due to the company being limited by guarantee and therefore no distributions can be made from the company. This Member is one of ten active directors and is not the chairperson of the board.

Engagement with Employees (including disabled persons)

Star Academies have taken the following actions this year to introduce, maintain and develop arrangements aimed at engaging with its employees:

- Star Academies uses a broad range of internal communications channels for employee engagement. Regular communications include weekly and monthly staff bulletins and a termly magazine. Online channels, including Microsoft Teams, are used for communications and collaboration, alongside more informal tools such as email, instant messaging and MS Teams/Skype. An annual programme of staff events and training take place via a range of mediums, including physical events, eLearning platforms, webinars and video conferencing. The Trust also has a comprehensive suite of policies and procedures on matters that affect employees during their employment and has an annually updated training and development plan which enables managers and employees to be trained on their effective implementation.
- We have a Trade Union Recognition Agreement with recognized trade unions in the education sector and consult employees and their representatives so that their views can be considered when making decisions which affect their interests, at a Trust level through the Joint Consultation & Negotiating Committee (JCNC), which meets on a termly basis during the academic year.
- In addition, at an individual school level we consult on issues that affect all staff at that establishment, for example, where a restructure proposal has been implemented in the previous 12 months, as well as when schools join the Trust under an Academisation order. We apply the statutory timescales required for consultation which are dependent upon the number of employees affected. Our intention is always to seek to reach a consensus with employees and their representatives wherever possible about proposals that affect them.
- We encourage the involvement of employees in the Trust's performance, through a performance management appraisal cycle, which seeks to align employee's targets with the aims and objectives of the Trust. Schools and Central Trust Teams apply Key Performance Indicators to measure their performance against a range of targets set at Trust and National levels. In teaching a professional development framework has been introduced called 'Teach like a Star'. We celebrate outstanding employee contributions through an annual awards ceremony and regularly recognise outstanding individual employee contributions through an employee recognition scheme, known as Star Letters.



Trustees' Report

For the Year Ended 31 August 2022

- We achieve a common awareness on the part of all employees of the factors affecting the performance of the Trust through effective communication channels as set out above. We also undertake an annual employee engagement survey which measures staff feedback against a number of areas of the Trust's activity, including the effectiveness of its leadership.
- Promoting equality of opportunity is at the heart of the Trust's mission. The Trust builds equality considerations into its employment policies from the outset, it has a policy on the fair recruitment and selection of candidate for roles with the Trust and guarantees an interview to any disabled applicant who meets the essential requirements of the role. We have an equality statement within all of our recruitment advertisements. Equal Opportunities monitoring information that is voluntarily provided at the application stage is anonymised and used by the Trust to measure diversity within the application pool and workforce to ensure that we are meeting our obligations under the Equality Act 2010.

Recruiting managers are trained to apply the Trust's equality principles. The Trust and its schools have a range of policies and procedures to advance equality of opportunity between people who share a protected characteristic and those who do not. These include our governance and accountability framework, our equalities and related policies and training for staff and local governors.

Engagement with Suppliers, Customers and others in a business relationship with the Trust

Star Academies has an established Procurement Department and procedures in place. This includes the holding and maintenance of a contracts database and corresponding three-year procurement plan.

Key developments during 2021/22:

- The continued development of bespoke framework contracts enabling compliant procurement solutions which enables schools to choose from a number of vetted suppliers
- a consistent approach to contract management including consistent documentation and oversight
- spend analysis of the Trust's annual spend to ensure aggregate compliance and refinement of the three-year procurement plan
- the development of an agency preferred supplier list utilising the CCS temporary staffing framework

Contract oversight, undertaken by the Procurement Department or Contract Managers, requires accountability meetings with Supplier account managers for performance discussions including monitoring of contract

s. This relationship building engagement also allows Star to seek quick resolutions to any issues that are presented and build trust between the parties. Accountability meeting frequency is dependent upon the risk and value associated with a contract and can range anywhere between monthly and annually. These contract meetings have continued to ensure a high level of service quality which is reinforced by the number of contract extensions that have been secured. During 2021-2022 the Trust has retendered or extended the following contracts:

- AC & Ventilation Framework
- Agency preferred supplier list
- Applicant Tracking System
- Audit – External and Internal
- E-Sourcing Portal
- Electrical framework
- Energy Audits
- Fire Alarm Framework
- Fire Equipment Framework



Trustees' Report

For the Year Ended 31 August 2022

- Fire Risk Assessment
- LED framework
- Legal Services
- Legionella
- Leisure Facility Outsourcing
 - Bay Leadership Academy
 - Tong Leadership Academy
 - Eden Boys Birmingham East
 - Highfield
 - Eden Boys Bolton
- Lighting framework
- Lightning Protection Framework
- Managed Payroll
- Minibus Leasing
- Public Relations
- PV framework
- Reading Books
- Reinstatement Valuations
- Security Alarms and CCTV Framework
- Signage
- SIMS & Support Services
- Small Heath Leadership Academy Cleaning
- Stationery

Covid-19 continued to provide a challenge for Star and its suppliers but the strong working relationships has resulted in minimal operational disruption and the continuity of our contracts and servicing.



Trustees' Report

For the Year Ended 31 August 2022

Objectives and Activities

Objects and Aims

Star Academies (Star) is a not-for-profit multi-academy trust. The objects of the Trust are to establish, maintain, carry on, manage and develop outstanding schools that promote educational excellence, character development and service to communities.

The Trust believe that every child and every community is unique. It works hard to make sure that each and every pupil in its schools – regardless of their faith, race, gender, background or starting point – achieves their potential and goes on to university or a career of their choice.

Objectives, Strategies and Activities

Star's Corporate Strategy 2022-2027 sets out an ambitious programme for the further development of the Trust. The strategy recognises that our journey since incorporation in 2010 has been exceptional, combining rapid growth with an unswerving commitment to excellence.

The Corporate Strategy forms the foundation of the Trust's planning framework. It is complemented by school 5-year plans along with 5-year plans for specific Trust-wide service areas. These set out the medium-term priorities that schools and Trust-wide services must deliver if the Trust's overall aims and objectives are to be achieved. In turn, these 5-year plans are developed in detail in school and Trust Annual Operating Statements. These set out the priorities for each year that will take the Trust towards its medium-term goals.

Our vision is for all Star pupils to enjoy a broad, rich and transformative education that empowers them to overcome disadvantage, lead fulfilling independent lives and contribute positively to society. To achieve our vision, our Corporate Strategy identifies how we will:

- develop resilient learning environments characterised by high challenge and high support
- ensure that ambition and high aspirations are consistently encouraged and rewarded
- maintain a pervasive culture of excellence, knowledge-rich curricula, first class pedagogy and operational rigour
- provide high-quality evidence-based intervention at the point of need for any pupil who requires it
- maximise opportunities provided by digital technology to prepare future leaders and innovators
- create a pipeline of expertise, attracting, and developing the best people to deliver the best outcomes
- build powerful, ethical and principled partnerships to maximise impact on pupils' experiences and schools' performance
- spearhead a national drive to improve standards across the education sector by developing and disseminating strongly evidenced good practice in both secular and faith-based education
- spur social mobility in areas of economic deprivation, enabling young people's success at the highest levels of education and professional employment

Public Benefit

In setting the objectives, and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

The key public benefit delivered by Star is the development of high-quality education provided within its schools, to the public benefit of all children local to these schools.



Trustees' Report

For the Year Ended 31 August 2022

Strategic Report

Achievements and Performance

Star has achieved the following in the 2021/22 academic year:

Educational Excellence

Throughout the year, the trust invested heavily in enhancing the content and sequence of the curriculum. New schemes of work have been developed in many of the subjects, with a strong focus on clearly sequenced, coherent, and defined knowledge. Alongside this, Star has developed subject charters to clarify expectations and promote consistency of experience for pupils. These have been designed and published to support subject-specific pedagogy to support learners with SEND.

Curriculum intent and strategies for implementation have been shared to improve teaching within each subject area. Star's curriculum is designed to maximise uptake of the English Baccalaureate. However, the trust has also supported schools to broaden their curriculum offer by introducing new courses, particularly in technical and creative subjects.

Substantial progress has been made on the development of a comprehensive reading strategy. This includes the use of reading tests to gauge the reading competence of every pupil. The ReadingWise intervention, has been introduced across all Star's secondary schools and its implementation will be closely tracked.

Star's work to develop consistent approaches to lesson planning and delivery has continued with the updating of Teach Like A Star. The trust has developed and piloted a teaching profile which gives clear information on teaching quality and supports schools to implement and evaluate their coaching programmes.

The trust's All Stars Succeed programme has been further developed to enhance the support provided for learners with special educational needs. Collaborative working by the leads for teaching, SEND and inclusion has led to holistic approaches focused on the whole child, with adaptive strategies to enable full curriculum access. Enhanced training has also been provided for SENCOs.

Behaviour is good or outstanding in most Star schools – as confirmed by external quality assurance and recent Ofsted inspections. However, an increasing number of pupils are struggling with mental health and emotional wellbeing, possibly as a result of the anxiety caused by Covid-19 disruption. Some schools have seen an increase in the rate of exclusions. The Central team has worked closely with schools to help them develop the skills and resources to meet the needs of pupils whose mental health may result in unacceptable behaviour.

Attendance has been a significant problem throughout the 2021-22 year. While many of Star's free schools have maintained levels that are significantly higher than the national average, some sponsored academies have not been able to improve on low pre-pandemic attendance. The trust has continued to provide advice and support to schools, in line with government guidance, through a very turbulent year.

Star's support for careers education, information, advice and guidance has been enhanced in secondary schools. Positive links have been established with industries and universities in partnership areas. Star's collaboration with GCHQ on modern foreign languages has been particularly exciting in highlighting possible future employment.

Following consultations with parents, primary schools are teaching the statutory relationships education and health education (RHE) and secondary schools are teaching relationships, health and sex education (RSHE) to all pupils. Star has provided additional resources to support schools' delivery.

Faith and character education (Faithful Stars) has continued to be a strong element of provision in Star's faith schools, characterised by various initiatives including a very successful Ramadhan programme. The Rising Stars programme has been introduced for non-faith schools. This includes thoughts for the week which are designed to provide inspiration and promote reflection.



Trustees' Report

For the Year Ended 31 August 2022

The National Institute of Teaching (NlOT) will be launched in September 2022. This is a significant achievement for Star and heralds an exciting new era in national teacher development. Preparatory work and bid writing have occupied a great deal of time and creative energy in 2021-22 for Star and the partners in the School-Led Development Trust (SLDT). Delays in the award of the contract created additional challenges. Internal reorganisation is underway to ensure that the remits of NlOT and Star Institute are clear and complementary.

In the meantime, Star Institute has had a highly successful year with 76 SCITT trainees successfully completing their programmes with Star Teachers. The comprehensive Star Ambition programme has been delivered in full and was well received. This included statutory and mandatory training, developmental training, apprenticeships and the 'golden thread' programmes which will in future be delivered by the NlOT. Star Institute has maintained its programmes to develop the leadership skills of teaching staff, including the NPQ suite of programmes.

Star's three Teaching School Hubs – based at Eden Boys' School, Bolton, TIGHS and TIBHS – have successfully operated throughout the year and are a powerful indicator of the trust's commitment to system leadership.

A full programme of external quality assurance visits has been delivered during the year by a team of quality assurers, all of whom are experienced His Majesty's Inspectors or Ofsted inspectors.

Operational Excellence

The programme of policy renewal has been completed. Star's suite of policies reflects national requirements and provides schools with a comprehensive compliance framework in which to operate.

Star's commitment to staff wellbeing was emphasised through its launch of the staff wellbeing framework, accompanied by initiatives such as the car benefit scheme for staff. There was a positive response to staff surveys at both central and school levels. Staff sickness and turnover have presented challenges throughout the year. School principals have attempted to minimise the use of short-term supply staff to provide pupils with continuity of learning, but this has not always been possible. The departure of school staff to new roles has been for varied reasons: some have moved to promoted posts elsewhere while others have chosen different careers. The picture at Star reflects a national sense of flux. Changed staff profiles at both the centre and in schools are being supported through strengthened induction programmes, coaching and mentoring.

Despite difficulties regarding supply chains, Star has continued to invest in its estates and has delivered a school condition allocation (SCA) programme of around £2.2 million in the last year. Eden Boys' Leadership Academy, Bradford has moved into its state-of-the art new campus, which significantly improves the local landscape and provides pupils with greatly improved facilities for learning.

Star has launched six frameworks for statutory estates work, supporting cost-effectiveness and compliance. Other major procurements have continued, including that of agency staff, to enable better quality, cost effectiveness and consistency of temporary staffing when it is required by schools.

The quality of catering has been improved in many schools by Star securing a new catering provider, Mellors. Feedback from schools, and from Star pupil councils about the dining experience has been positive.

Star has responded to the possibility of cyber-attacks and data loss by continuing to improve cyber security, through staff training and simulated phishing attacks. Star's leadership team undertook Gold Team training to clarify the actions that would need to be taken in the event of an actual attack.

Through good housekeeping and careful planning, Star has managed its budget effectively and accrued reserves which will be needed to support delivery of some projects during the very challenging times ahead. The trust has implemented a programme to support schools to secure good financial health, including significant staffing restructures at Starbank and Oulder Hill Leadership Academy, both of which were accomplished through joint working with trade unions.

The trust is continuing to explore opportunities to find an innovative solution to the deficit presented by the PFI contract at Highfield Leadership Academy.



Trustees' Report

For the Year Ended 31 August 2022

A Strong Star Community

As Oulder Hill Leadership Academy joined the Trust the central team worked closely with the school's leaders prior to its conversion. The school participated in online training events and face-to-face leadership conferences that have enabled positive relationships to be established with colleagues across the trust.

Star's Platinum Jubilee celebrations were executed with great enthusiasm with pupils contributing imaginative regal stories to a Jubilee anthology that was sent to Her Majesty The Queen. They also engaged in 100,000 hours of volunteering, well in excess of the trust's target of 70,000 hours to mark 70 years of selfless royal service. Tree planting and street parties featured widely on schools' social media. Star's Awards Ceremony was a very successful showcase of the wealth of talent across Star's schools. Four Star leaders – Chair Kamruddin Kothia, and principals Asiyah Ravat, Shahina Ahmed and Shabir Fazal – have received the prestigious award of OBE for their service to education.

Star's expertise has provided support to other MATs who have requested help with specific elements of their work. Pope Francis Trust, Education Partnership Trust, Dixons and the Diocese of Ely and Pennine Trust have all engaged with Star for support in the last year. Star's partnership with Eton College brings the possibility of significantly contributing to levelling up through the proposed opening of three northern free school sixth forms, as well as joint work to develop the curriculum and pedagogy. As a result of joint working with Star, Eton has become a world class specialist partner within the National Institute of Teaching. The foundations for future networking within the education sector are being continually strengthened.

Star's support for its wider communities has been sustained through considerable efforts to support fundraising and volunteering for local causes. Star schools raised an impressive £360,000 for charity during the year, as well as contributing their time and talents through thousands of hours of volunteering. Star Family Hubs have operated in several schools, offering foodbanks, uniform upcycling and local projects. Feedback from those involved in the hubs – both supporters and recipients – has been unreservedly positive.

Key Performance Indicators

Four schools have received Ofsted inspections in the academic year 2021-22.

Eden Boys' Leadership Academy, Manchester and Eden Girls' Leadership Academy, Manchester received their first full inspections since opening. Both were judged to have good overall effectiveness, with outstanding judgements for behaviour and attitudes, personal development, leadership and management. The boys' academy also received its section 48 inspection and was judged to be outstanding.

Small Heath Leadership Academy had its first inspection since joining the trust and was graded as good in all aspects. The predecessor school required special measures at its final inspection, so this inspection outcome signals a transformation.

Rainbow Primary Leadership Academy received a section 8 inspection that confirmed it remains a good school.

Star schools aim to keep salary costs between 70% and 75% of their GAG income. This has been achieved during 2021/22.

Trustees' Report

For the Year Ended 31 August 2022

The Board of Trustees agree a set of Key Performance Indicators (KPIs) at its planning meeting each September. A progress update is provided at each termly meeting of the Board of Trustees. The KPIs agreed for the 2021/22 academic year were:

- KPI 1 - Growth: Total number of schools
- KPI 2 - Growth: Total number of pupils across Star Academies
- KPI 3 - Progress 8 of all Star Academies to be in the top 5% of schools in the country
- KPI 4 - E-Bacc APS of all Star Academies to be in the top 5% of schools in the country
- KPI 5 - % 9-5 E&M of all Star Academies to be in the top 5% of schools in the country
- KPI 6 - Progress 8 for disadvantaged pupils to be in the top 5% of schools in the country
- KPI 7 - % at the expected standard or higher in RWM at KS2 in all Star Academies to be in the top 5% of schools in the country
- KPI 8 - % at the higher standard in RWM at KS2 in all Star Academies to be in the top 5% of schools in the country
- KPI 9 - % of disadvantaged pupils at the expected standard or higher in RWM at KS2 in all Star Academies to be in the top 5% of schools in the country
- KPI 10 - % of disadvantaged pupils at the higher standard in RWM at KS2 in all Star Academies to be in the top 5% of schools in the country
- KPI 11 - Pupil absence (Primary): Overall pupil absence in all Star Academies to be in the best 5% of schools in the country
- KPI 12 - Pupil absence (Primary): % of pupils persistently absent in all Star Academies to be in the best 5% of schools in the country
- KPI 13 - Pupil absence (Secondary): Overall pupil absence in all Star Academies to be in the best 5% of schools in the country
- KPI 14 - Pupil absence (Secondary): % of pupils persistently absent in all Star Academies to be in the best 5% of schools in the country
- KPI 15 - Financial Management: Annual surplus as a % of turnover
- KPI 16 - Pupil engagement: % of pupils providing a positive response to stakeholder survey
- KPI 17 - Parent engagement: % of parent/carers providing a positive response to stakeholder survey
- KPI 18 - Staff engagement: % of staff providing a positive response to stakeholder survey
- KPI 19 - Star Central effectiveness: % of schools providing a positive response to services provided by Star Central
- KPI 20 - % of schools rated as 'Good' or 'Outstanding' by Ofsted in their most recent inspection



Trustees' Report

For the Year Ended 31 August 2022

Going Concern

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

Promoting the success of the company

The Directors have promoted the success of the company for the benefit of its members as a whole and in doing so have given regard to:

- the likely consequences of any decision in the long term – All decisions are taken with a view of maintaining or improving the long term educational, operational and financial performance of the Academy
- the interests of the company's employees – refer to page 6
- the need to foster the company's business relationships with suppliers, customers and others – refer to page 7
- the impact of the company's operations on the community and the environment – refer to page 12 - A Strong Star Community and SECR on page 18
- the desirability of the company maintaining a reputation for high standards of business conduct – Refer to Governance Statement on page 21 detailing the Academic and Institute Board's purpose of maintaining high standards
- the need to act fairly between members of the company



Trustees' Report

For the Year Ended 31 August 2022

Financial Review

During the year ended 31 August 2022 Star has received income of £218,868K (2021: £211,551K) comprising:

- GAG funding for TIBHS, TIGHS, The Olive Schools in Birmingham, Blackburn, Bolton, Preston, Small Heath, Rainbow and Hackney; the Eden Boys' School in Bolton, Birmingham, Birmingham East, Preston, Bradford and Manchester; the Eden Girls' Schools in Coventry, Waltham Forest, Slough, Birmingham and Manchester; and Highfield, Laisterdyke, Tong, Valley, Small Heath, Barkerend, High Craggs, Thornbury, Oulder Hill, Starbank and Bay Leadership Academies;
- Capital grants towards the purchase of sites for the schools and the related fit out costs at the permanent sites;
- School Condition Allocation covering all Trust schools; and
- School Capital Improvement funding for The Valley Leadership Academy and Starbank School.

Over the year Star expended £151,233K (2021: £133,541K) resulting in net income of £67,635K (2021: £78,010K) leading to reserves carried forward of £476,818K (2021: £357,937). Of which, a surplus of £33,167K (2021: £26,350K) relates to restricted funds to be spent in future periods, a pension deficit of £11,935K (2021: £53,337K), and £451,758K (2021: £381,903K) which relates to the restricted fixed asset fund which is being carried forward and will be spent in line with the Capital Grant programme. The £69,855k increase in restricted fixed asset fund is largely attributable to two capital programs completing in the year and 1 school conversion resulting in the recognition of land and building (and associated ICT and FF&E). Star has an unrestricted fund carried forward of £3,828K (2021: £3,021K) which will be used within the Academies Charitable objectives.

During the year the Accounting Officer has been working with the Central Management team, the business managers and Star's internal and external auditors to implement efficient and quality financial management systems. These systems are continuously under review and will be implemented at each school as they open.

In summary, as evident in this year's figures, the Trust has continued growth through additional year groups taken on by our existing schools. 2022 Corporate Strategy remains ambitious with the Trust continuing to aim for further growth year on year.



Trustees' Report

For the Year Ended 31 August 2022

Reserves Policy

The amount of reserves held are stated in the Financial Review noted above. The level of reserves held at each school at 31 August 2022 is considered to be sufficient and in line with the Trust's reserves policy. The Trust needs to hold reserves for a number of reasons, examples of which are listed below:

- contingency fund to deal with minor adjustments to operational expenditure from some budget headings;
- a planned accumulation of funds to pay for some major construction work or project;
- expenditure held over to the following year to withstand variations in the level of funding to the Trust to balance out variations in funding levels; and
- potential redundancy payments to staff.

In order to achieve this sustainability moving forward, the Trust has implemented a 2% in year reserves policy, which all schools should strive to achieve. Any excess cash at the end of the financial year is invested in line with the Treasury Management Policy.

As noted above, the restricted general reserves carried forward is a surplus £21,232K (2021: deficit £26,987). This is after accounting for the pension deficit reserve of £11,935K (2021: £53,337K). Excluding the pension deficit reserve and designated funds, the total restricted and unrestricted general funds as at 31 August 2022 are £36,995K (2021: £29,371K).

The Board of Trustees ensure that the Reserves Policy is in accordance with the requirements laid down in the Academy Trust Handbook 2021 by the ESFA. The Department for Education expects Trusts to use their allocated funding for the full benefit of current pupils. If Trusts have a substantial surplus, they must have a clear plan for how it will be used to benefit their pupils. It is the policy of The Trust to have reserves which can be used for future education purposes in line with the development plans.

In 2016 Star received a £50K legacy known as "The Gibson Humanities Trust" to be used only for specific areas of expenditure within HLA. This legacy can be used for such purposes up to a period of 50 years at which point certain restrictions will be removed and any balance can be used for the general benefit of HLA. As at 31 August 2022 £50K is held as a designated restricted fund.

Investment Policy

The Trust has adopted a low-risk strategy to investment. As at 31 August 2022 the Trust was holding excess cash reserves of £27,000K (2021: £9,016k) in a 12 month savings account to optimise the return on these reserves. The management of the 12-month account is done by the Trust's central finance team. Star and the schools within have no other investments other than short term deposits received on cash balances.

The Trust's central finance team is currently reviewing this strategy with a view to generate a greater return through low-risk investment.

Principal Risks and Uncertainties

The academy trust has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the academy trust's assets and reputation.

A review of the risks faced by Star was conducted and systems established to mitigate those risks. Star has identified the major risks it faces and has documented these within its Risk Register; this is reviewed termly by its Trustees. The Trustees are also fully apprised between meetings of any issues that may impact upon the management of risk.

The Audit and Risk Committee has ongoing responsibility for the monitoring of risks and has engaged RSM as its

Trustees' Report

For the Year Ended 31 August 2022

Internal Auditors to ensure maintained compliance. An Internal Audit Plan was agreed and undertaken in 2021/22. Further details around the focus of this work are included within the Governance Statement.

These reviews provided recommendations for where the Trust could strengthen some of its systems and internal controls which have been implemented throughout the year. Further reviews will continue into 2022/23 to help identify any other areas in which the Trust may be able to implement an improved control environment.

Outlined below is a description of the principal risk factors which may affect the academy trust. Not all factors are within the academy trust's control. Other factors besides those listed below may also adversely affect the academy trust.

1. Government Funding

The academy trust has considerable reliance on continued Government funding through the ESFA. In 2021/22, 99% (2020/21: 99%) of the academy trust's revenue was ultimately publicly funded including inherited assets, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- Funding is derived from a number of direct and indirect contractual arrangements.
- By ensuring that the academy trust is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

2. Management Override

The day-to-day operations of the academy trust are overseen by the CEO Sir Muti Hamid Patel CBE and members of the Executive team. They are able to authorise expenditure to levels that are documented within the Financial Handbook of the Trust and have control of many aspects of the trust.

This risk is mitigated in a number of ways:

- The Board reviews management accounts at regular intervals.
- The Managers of each establishment are qualified professionals, who will be resistant to override.

Fundraising

The trust has a nominated senior leader who is responsible for ensuring that charitable giving by pupils, staff and families is appropriate and only allows fundraising activities if:

- The charity is registered with the UK's Charity Commission.
- The charity and the cause demonstrates no political, religious or cultural discrimination.
- The charity's values are consistent with fundamental British values of democracy, rule of law, individual liberty and mutual respect, and tolerance of those with different faiths and beliefs.
- There is no compulsion for pupils, staff and families to participate in any fundraising activities.
- If the monies raised are to be split across a number of charities the basis of the split must be notified in advance of the fundraising activity.
- Pupils and staff organising fundraising are adequately inducted on the appropriate procedures.
- Learning is not disrupted by the fundraising.
- All charitable giving is entered onto the Charitable Giving Record and is reviewed and approved by the nominated senior leader.



Trustees' Report

For the Year Ended 31 August 2022

- Evidence is sought to ensure charitable funds have been appropriately spent.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	2021/22	2020/21
Energy consumption used to calculate emissions (kWh)	27,375,517	27,277,709
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	3,382.14	3,430.16
Owned transport – mini-buses	8.50	7.39
Total Scope 1	3,390.65	3,437.55
Scope 2 emissions in metric tonnes CO₂e		
	104.65	119.90
Purchased electricity		
Scope 3 emissions in metric tonnes CO₂e		
	107.99	23.96
Business travel in employee-owned vehicles		
Total gross emissions in metric tonnes CO₂e	3,603.28	3,581.41
Intensity ratio Tonnes CO ₂ e per pupil	0.18	0.20

Quantification and reporting methodology

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

key measures taken to improve energy efficiency

We have invested in LED lighting across the Trust estate with the aim of reducing energy consumption by over 20%

We are installing PV panels on the roof of the trusts academies with the aim of reducing energy consumption by over 20%

Intensity measurement

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



Trustees' Report

For the Year Ended 31 August 2022

Plans for Future Periods

Star will seek to grow as a multi-academy trust and continue to work with communities across the country within five geographical clusters (Lancashire, Greater Manchester, West Yorkshire, West-Midlands and London) to open free schools and manage sponsor-led academies. Within these schools the trust will work to ensure the high performance of its students and that the schools meet the needs of those communities.

Work continues to secure the opening of five schools approved in Wave 13 and 14 of the free schools' programme – Star Salford Academy which is scheduled for opening in September 2023; and Rochdale, Radcliffe, Wolverhampton and Manchester although no target dates have yet been agreed for these.

Star will continue to support, as a founder member of the School-Led Development Trust (SLDT), the preparations for the National Institute of Teaching to commence its flagship provision for the professional development for teachers and school leaders to commence from September 2023.

The submission of bids to the Wave 15 of the free schools' programme in November 2022 will include sixth form provision in partnership with Eton College, and a non-faith secondary Free school within Liverpool.

Funds Held as Custodian Trustee on Behalf of Others

Star holds no funds on behalf of others.



Trustees' Report

For the Year Ended 31 August 2022

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Beever and Struthers are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 12 December and signed on the Board's behalf by:

Kamruddin Isap Kothia OBE, DL

Chair of Trustees

15th December 2022

Governance Statement

For the Year Ended 31 August 2022

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Star Academies 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 Chief Executive, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Star Academies 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 **Members** have formally met once during the year. Attendance during the year at meetings of the Members was as follows: -

Member	Meetings attended	Out of a possible
Kamruddin Isap Kothia OBE, DL (Chair)	1	1
Faruk Dasu (Light Trust)	1	1
Martin Ainscough CBE, DL	1	1
Harry Catherall	1	1
Mohamed Isap	0	1
The Rt Hon Lord Charles Shuttleworth KG, KCVO	0	1
Rt Hon Jack Straw	1	1
Sir Michael Wilshaw	1	1
Dame Julia Cleverdon DCVO, CBE	0	1

Governance Statement

For the Year Ended 31 August 2022

The **Board of Trustees** have formally met five times during the year. It has maintained effective oversight of funds through the receipt of monthly management accounts by all Trustees, including receiving additional information for two academies. In addition to this the Trustees have a Policy and Resources Committee to whom they have delegated the monitoring of termly budgets.

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

Trustee	Meetings attended	Out of a possible
Kamruddin Isap Kothia OBE, DL (Chair)	5	5
Carol Costello	4	5
Faruk Dasu	3	5
Harry Devonport	3	5
Major General David Eastman	2	4
Mark Hageman	5	5
Mohamed Isap	4	5
Kevin Jaquiss	4	5
Fiona Jordan	5	5
Peter McKee	5	5
Sir Mufti Hamid Patel CBE	5	5
Imraan Patel	3	5
Rt Hon Jack Straw	3	5
Gareth Stevens	5	5
Major General Jon Swift	1	1

Where Trustees have tendered apologies during the year this has been due to work commitments.

Governance Reviews

The Trust, within its Audit Plan included a compliance review with the Academy Trust Handbook – for both Governance and Finance.

The Board of Trustees oversaw an internal governance review and made new arrangements to come into effect from September 2022. These will strengthen lines of accountability and signal an enhanced role for the local accountability boards that replace local governing bodies. An updated Scheme of Delegation was agreed which will also be operational from September 2022. The aim of the review was to ensure clarity of growth and to ensure strong governance capacity as the Trust continues to grow.

The Board has also agreed to contract for an External Review of governance in 2023/24, in preparation of this work will be undertaken during 2022/23 to develop the scope of the review to ensure the most appropriate and effective focus for the review.

Governance Statement

For the Year Ended 31 August 2022

The **Audit and Risk Committee** is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure regulatory compliance, financial probity and manage risk. The appointed Internal Auditors are RSM.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Kevin Jaquiss (Chair)	3	3
Carol Costello	3	3
Faruk Dasu	3	3
Deborah Hale (Independent)	1	3

The **Policy and Resources Committee** is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure sound management of the Trust's business resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Mohamed Isap (Chair)	3	3
Carol Costello	2	3
Imraan Patel	2	3
Sheraz Akhtar (Co-opted)	2	3

The **Academic Board** is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure high standards in the quality of teaching and learning within Trust schools. The Committee is supported by 2 Committee Advisors who have no voting rights with regards to decisions.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Harry Devonport (Chair)	4	4
Sir Mufti Hamid Patel CBE	4	4
Cath Hitchen (Co-opted)	4	4
Rt Hon Jack Straw	2	4

The **Nomination and Remuneration Committee** is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the oversight of Governance for the Trust.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Kamruddin Isap Kothia OBE, DL (Chair)	3	3
Faruk Dasu	3	3
Harry Devonport	2	3
Mohamed Isap	0	3

Governance Statement

For the Year Ended 31 August 2022

The Trust has a **Faith and Character Education Committee** to assist the board of Trustees by enabling more detailed consideration to be given to the oversight of the Faith and Character Education for the Muslim faith schools within the Trust. The Committee is supported by 6 Committee Advisors who have no voting rights with regards to decisions.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Faruk Dasu (Chair)	2	3
Sir Mufti Hamid Patel CBE	2	2
Kevin Jaquiss	3	3

The Trust has a **Star Institute Board** to assist the board of Trustees by enabling more detailed consideration to the best means of ensuring high standards in the delivery of learning and development by Star Institute.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Sir Mufti Hamid Patel CBE (Chair)	2	3
Mark Hageman	3	3
Fiona Jordan	3	3

The Trust has an **Eton Partnership Board** to assist the board of Trustees by having responsibility for key decision-making in relation to the Eton Star Partnership and the Partnership Academies.

Attendance at meetings in the year was as follows: -

Trustee	Meetings attended	Out of a possible
Peter McKee	2	2
Sir Mufti Hamid Patel CBE (Chair)	2	2
Harry Devonport	1	2
Mo Isap	2	2
Kevin Jaquiss	2	2
Tom Arbuthnott (Co-opted)	2	2
Simon Henderson (Co-opted)	2	2
Janet Walker (Co-opted)	1	2

Governance Statement

For the Year Ended 31 August 2022

Review of Value for Money

As Accounting Officer, the Chief Executive 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 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:

Improving educational standards

The Accounting Officer has improved value for money in improving educational standards in the following ways:

- Refining the education model to be applied across all Trust schools aimed at:
 - maximising pupil performance in public examinations
 - securing intellectual and academic rigour in student development
 - ensuring an emphasis on leadership and personal development
 - ensuring that the model maximises efficiency in the deployment of teaching and other resources.
- Refreshing the Quality Assurance framework so that it is focused on areas of greatest risk. This has ensured that resources are carefully targeted on addressing underperformance and maximising improvement. Additional freedoms and flexibilities are provided to high performers to encourage innovation and free up resource to target on areas of risk and need.
- Delivering high quality Continuing Professional Development (CPD) to individual and groups of schools focusing on common areas of improvement and interest aimed at improving the quality of leadership and teaching in the school group.
- Investing in high quality on-boarding and induction for sponsored academies joining the Trust during the academic year. Experience has shown that investment in these activities as a sponsored academy joins the Trust pays both short and long-term dividends in accelerating educational and operational performance.

Robust governance and oversight of Multi Academy Trust finances

The Trust has established robust guidance within the Trust's Financial Management Handbook. The Trust has also developed procedures to ensure segregation of duties, uniformity and consistency across all schools within the Trust. The Trust benefits from the provision of suitably qualified finance staff including the Chief Financial Officer. The Chief Financial Officer and their team hold regular meetings with all schools within the Trust.

The Trust Senior Management Accountant provides high level support to the schools through meetings and visits with the school-based Finance Business Partner team. The Finance Business Partners have accountability for two to four schools and complete regular compliance and health checks reviewing key policies, systems and procedures, with reports presented on compliance to the Principal as well as the Senior Management Accountant.

RSM have been commissioned as the Internal Auditors for the Trust, with a series of internal audits carried out during 2021-22. The internal audit reports highlighted the strong practices in place at the schools as well as a number of low-risk recommendations. Any recommendations from the internal audits have been actioned at both school level and across the Trust. The internal audit reports were presented to both Accountability Boards (previously Local Governing Bodies) for schools as well as the Audit Committee for the Trust. A 3-year internal audit plan is in place to cover a vast programme of areas during a period of growth for the MAT. The Trust also receives support throughout the year from its external auditors on compliance and accounting practices.

Governance Statement

For the Year Ended 31 August 2022

The Local Accountability Board (previously Local Governing Body) of each school receives detailed financial information for their termly meetings and the Local Accountability Board is consulted with prior to the approval of the budget plan annually. They are mindful of the need to balance expenditure against income to ensure the sustainability of their respective schools and to ensure the Trust remains a 'going concern'. The Members of the Trust meet with the external auditors annually to review and scrutinise the annual accounts and our external auditors' management report and to approve the annual accounts.

The Policy and Resources Committee acts on behalf of the Board of Trustees by ensuring sound management of the Trust's business resources and provides detailed financial monitoring at their termly meetings.

The Chief Financial Officer reports back the financial position at a school and Trust level to the Accounting Officer, on a monthly basis. In addition, a formal monthly report is prepared for the trustees.

Better Purchasing

The Trust ensures a continual focus on best value for money and clearly understands the importance of the efficient and effective use of its resources. Our schools and Trust promote fair competition through quotations and tenders, in accordance with its financial regulations, to ensure that goods and services are secured in the most economic and effective way. Where possible, the Trust has secured single supplier contracts, through competitive tender, for areas where a single supplier is appropriate for our schools i.e. insurance, payroll, ICT software licences and internal audit. This has considerably reduced the cost of this provision to schools.

Budget holders review and sign off every purchase order request and regularly challenge these for efficiency and effectiveness. In turn the Local Accountability Boards regularly reviews the functions of the school, challenging how and why services are provided as appropriate. At wider Trust level, the Policy and Resources Committee monitor centralised purchasing contracts ensuring best value is achieved and procurement practices are robust and compliant. Benchmarking exercises are carried out for cost comparisons and to ensure value for money.

Maximising income generation

The Trust is mindful of the need to generate additional funds to maximise income generation. As more of our schools move into their permanent sites, the Trust has begun to introduce plans to utilise the premises to generate lettings income as well as to ensure the community benefits from the extended services provided by carefully vetted voluntary and community support groups as well as providing an income stream for the schools.

The schools ran a number of fundraising events earlier in the academic year, both for charity and to generate income for their respective schools. The income generated for the schools is used to help support the wider curriculum and give further opportunities to all children that are not possible through the schools' budget allocation.

Reviewing controls and managing risks

Business Continuity Plans, Risk Management Policies and Risk Registers have been devised at both the Trust and school level. These have been approved by Local Accountability Boards with the Risk Register reviewed termly.

The Principal and Finance Business Partner review budget monitoring reports, considering expenditure against each budget cost centre monthly and address any significant variances against budget. These budget monitoring reports are submitted to the central finance team for scrutiny. Local Accountability Boards also review and checks these reports on a termly basis and monthly reports are provided to the Board of Trustees.

The Board of Trustees reviews and approves the financial regulations and scheme of delegation detailing the finance related systems and procedures and other key financial policies. There is full segregation of duties within each school office.



Governance Statement

For the Year Ended 31 August 2022

Lessons Learned

Service level agreements and contracts are kept under review to continually look at best value and efficiency savings. There is a greater emphasis on centrally procured contracts by calling off existing frameworks, to ensure full compliance and best value for money is achieved. A three-year procurement strategy has been developed by the Procurement Manager and has been reviewed and approved by the Trust Accounting Officer and the Policy and Resources Committee.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Star Academies for the period 1 September 2021 to 31 August 2022 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 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 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. 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint RSM as their internal auditors, following a competitive procurement process.



Governance Statement

For the Year Ended 31 August 2022

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

- Academy Trust Handbook – Compliance Framework
- Budget Management and General Ledger – Month end controls
- Data Quality Processes – Census Returns
- Health and Safety Framework
- Estates Management Framework – Planned and Reactive Maintenance
- Payroll and Human Resources Processes
- Follow up

On a termly basis, the internal auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviews that were undertaken provided recommendations for where the Trust could strengthen some of its systems and internal controls which have been implemented throughout the year. Further reviews will continue into 2022/23 to help identify any other areas in which the Trust may be able to implement an improved control environment.

Governance Statement

For the Year Ended 31 August 2022

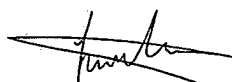
Review of Effectiveness

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

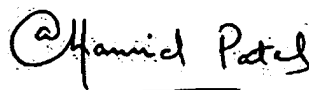
- the work of the Internal Auditor;
- the work of the External Auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 December 2022 and signed on its behalf by:



Kamruddin Isap Kothia OBE, DL
Chair of Trustees



Sir Mufti Hamid Patel CBE
Accounting Officer



Statement on Regularity, Propriety and Compliance For the Year Ended 31 August 2022

As Accounting Officer of Star Academies I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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.

Sir Mufti Hamid Patel CBE
Accounting Officer
12th December 2022

Statement of Trustees' Responsibilities

For the Year Ended 31 August 2022

The trustees (who act as governors of Star Academies and 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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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:

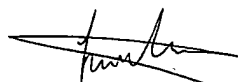
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) 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 12th December 2022 and signed on its behalf by:



Kamruddin Isap Kothia, DL
Chair of Trustees

Independent Auditors' Report on the Financial Statements to the Members of Star Academies

For the Year Ended 31 August 2022

Opinion

We have audited the financial statements of Star Academies "the academy trust" for the year ended 31 August 2022, which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 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 2021 to 2022 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the academy for the purposes of company law) are responsible for the other information. 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.

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



Independent Auditors' Report on the Financial Statements to the Members of Star Academies

For the Year Ended 31 August 2022

we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- In the light of the 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; or
- 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 31, 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.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures

Independent Auditors' Report on the Financial Statements to the Members of Star Academies

For the Year Ended 31 August 2022

in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the academy through discussions with trustees and other management, and from our knowledge and experience of the academy sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the academy, including the Companies Act 2006, the Charities Act 2011, and the Academies Accounts Direction 2021 to 2022 and Academy Trust Handbook 2021, both issued by the Education and Skills Funding Agency.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on material balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's 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 auditor's report and for no other purpose. To the fullest



Independent Auditors' Report on the Financial Statements to the Members of Star Academies

For the Year Ended 31 August 2022

extent permitted by law, we do not accept or assume responsibility to anyone other than the academy's members as a body for our audit work, for this report, or for the opinions we have formed.

Mark Bradley BA FCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Chartered Accountants and Statutory Auditors
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

14 December 2022
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Independent Reporting Accountant's Assurance Report on Regularity to Star Academies and the Education and Skills Funding Agency

For the Year Ended 31 August 2022

In accordance with the terms of our engagement letter dated 7 April 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Star Academies during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Star Academies' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Star Academies' funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Review that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2021 to 2022.



Independent Reporting Accountant's Assurance Report on Regularity to Star Academies and the Education and Skills Funding Agency

For the Year Ended 31 August 2022

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Bradley BA FCA (Reporting Accountant)
For and on behalf of Beever and Struthers

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

14 December 2022
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**Statement of Financial Activities for the Year Ended 31 August 2022
(including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

For the Year Ended 31 August 2022

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021/22	Total 2020/21
		£000	£000	£000	£000	£000
Incoming and endowments from:						
Donations, legacies and capital grants	3	244	322	44,557	45,123	55,086
Transfer from local authority on conversion	31	1,320	(2,570)	32,354	31,104	24,619
Transfer from single academy trust	31	-	-	-	-	4,451
Charitable activities:						
Funding for the Academy Trust's educational operations	4	-	141,747	-	141,747	127,228
Teaching schools	4	-	-	-	-	120
Teaching school hubs	4	-	659	-	659	-
Other trading activities	5	127	-	-	127	34
Investments	6	108	-	-	108	13
Total		1,799	140,158	76,911	218,868	211,551
Expenditure on:						
Charitable activities:						
Academy Trust's educational operations	7	244	140,332	9,990	150,566	133,427
Teaching schools	7	-	-	-	-	114
Teaching school hubs	7	-	667	-	667	-
Total	7	244	140,999	9,990	151,233	133,541
Net income/(expenditure)		1,555	(841)	66,921	67,635	78,010
Transfers between funds	19	(748)	(2,186)	2,934	-	-
Other recognised losses						
Actuarial gains/(losses) on defined benefit pension schemes	19,28	-	51,246	-	51,246	(5,501)
Net movement in funds		807	48,219	69,855	118,881	72,509
Reconciliation of funds						
Funds brought forward at 1 Sept 2021	19	3,021	(26,987)	381,903	357,937	285,428
Funds carried forward at 31 August 2022	19	3,828	21,232	451,758	476,818	357,937

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

The comparative Statement of Financial Activities is shown in note 2.



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Balance Sheet**For the Year Ended 31 August 2022**

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
FIXED ASSETS					
Intangible Assets	13		-		-
Tangible Assets	14		427,814		368,835
			427,814		368,835
CURRENT ASSETS					
Investments	15	27,000		9,016	
Debtors	16	25,893		12,884	
Cash at Bank and in Hand		24,876		33,126	
		77,769		55,026	
LIABILITIES					
Creditors: Amounts Falling Due Within One Year	17	(16,781)		(12,526)	
NET CURRENT ASSETS			60,988		42,500
TOTAL ASSETS LESS CURRENT LIABILITIES			488,802		411,335
Creditors: Amounts falling due after more than one year	18		(49)		(61)
NET ASSETS EXCLUDING PENSION LIABILITY			488,753		411,274
Defined Benefit Pension Scheme Liability	28		(11,935)		(53,337)
TOTAL NET ASSETS			476,818		357,937
FUNDS OF THE ACADEMY TRUST:					
Restricted Funds					
Fixed asset funds	19		451,758		381,903
Restricted income funds	19		33,167		26,350
Pension reserve	19		(11,935)		(53,337)
Total Restricted Funds			472,990		354,916
Unrestricted income funds	19		3,828		3,021
TOTAL FUNDS			476,818		357,937



Balance Sheet

For the Year Ended 31 August 2022

The financial statements on pages 38 to 75 were approved by the Board of Trustees and authorised for issue on 12th December 2022 and are signed on their behalf by

Kamruddin Isap Kothia, DL
Chair of Trustees
Company number: 07353849



Statement of Cash Flows
For the Year Ended 31 August 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Net cash from operating activities	23	13,122	16,473
Cash flows used in investing activities	24	(21,372)	(4,966)
Change in cash and cash equivalents in the reporting period		<u>(8,250)</u>	<u>11,507</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2021	25	33,126	21,619
Cash and cash equivalents at 31 August 2022	25	<u>24,876</u>	<u>33,126</u>

Notes to the Financial Statements

For the Year Ended 31 August 2022

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- **Grants**

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

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

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

The trust is benefiting from the ESFA's Free School Building Programme for the construction of Eden Girls' School Waltham Forest, Olive School Preston, Olive School Birmingham, Eden Boys' School Birmingham East. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls (through ownership, lease or licence) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

Notes to the Financial Statements

For the Year Ended 31 August 2022

1. Statement of Accounting Policies (continued)

As prescribed by the Academy Accounts Direction 2021 to 2022, Start-up grants have been apportioned in line with the expenditure being incurred.

- **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.

- **Legacies**

Legacies are recognised on a receivable basis (where any conditions attached to the legacy are either within the control of the Academy Trust or have been met) where the receipt is probable and the amount can be reliably measured.

- **Other Income**

Other income, including courses provided to management staff at other schools, the provision of teacher training and the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on Conversion**

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

- **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

- **Gifted Property**

The value of gifted property provided to the Academy Trust is recognised at the cost that they are purchased at by the ESFA in the period that entitlement to the grant is confirmed and planning permission has either been granted or when the title over the property has been transferred to the Academy Trust. Where the title has been transferred, the property has been accounted for within fixed assets and the corresponding income is shown within capital grant income within the restricted fixed asset fund. Where the title has not transferred but planning permission has been granted, the property has not been included within fixed assets but instead grant income has been recognised along with the corresponding debtor.

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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Notes to the Financial Statements

For the Year Ended 31 August 2022

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	25% per annum
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Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of any 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 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 economic life, as follows:

Land and buildings	0.8% to 3% per annum (buildings only when brought into use)
Leasehold land and buildings	0.8% to 2.5% per annum depending upon lease term
Leasehold improvements	0.8% to 60% per annum depending upon lease term
Computer equipment	25% per annum
Fixtures, fittings and equipment	20% per annum

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.

Notes to the Financial Statements

For the Year Ended 31 August 2022

1. Statement of Accounting Policies (continued)

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.

Liabilities

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

Leased assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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 charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. 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.

Notes to the Financial Statements

For the Year Ended 31 August 2022

1. Statement of Accounting Policies (continued)

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

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

Fund Accounting

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

Restricted fixed asset funds are resources, which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2022. 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.

Notes to the Financial Statements

For the Year Ended 31 August 2022

1. Statement of Accounting Policies (continued)

Conversion to Academy Trust

The conversion from a state-maintained school to an Academy Trust involves 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 has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from each school to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the charitable company. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations and capital grants as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 31.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

Notes to the Financial Statements

For the Year Ended 31 August 2022

2. Comparative SOFA

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021
	£000	£000	£000	£000
Incoming and endowments from:				
Donations, legacies and capital grants	15	297	54,774	55,086
Transfer from local authority on conversion	1,812	(8,714)	31,521	24,619
Transfer from single academy trust	810	(606)	4,247	4,451
Charitable activities:				
Funding for the Academy Trust's educational operations	-	127,228	-	127,228
Teaching schools	-	120	-	120
Other trading activities	34	-	-	34
Investments	13	-	-	13
Total	2,684	118,325	90,542	211,551
Expenditure on:				
Charitable activities:				
Academy Trust's educational operations	15	123,506	9,906	133,427
Teaching schools	-	114	-	114
Total	15	123,620	9,906	133,541
Net income/(expenditure)	2,669	(5,295)	80,636	78,010
Transfers between funds	(935)	(1,405)	2,340	-
Other recognised losses				
Actuarial losses on defined benefit pension schemes	-	(5,501)	-	(5,501)
Net movement in funds	1,734	(12,201)	82,976	72,509
Reconciliation of funds				
Funds brought forward at 1 Sept 2020	1,287	(14,786)	298,927	285,428
Funds carried forward at 31 August 2021	3,021	(26,987)	381,903	357,937

Notes to the Financial Statements

For the Year Ended 31 August 2022

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000	Total 2021 £000
Capital grants	-	-	21,902	21,902	6,768
Donated fixed assets	-	-	22,655	22,655	48,006
Other donations	244	322	-	566	312
	244	322	44,557	45,123	55,086

4. Funding for Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	117,402	117,402	99,219
Start Up Grants	-	621	621	695
Other DfE / ESFA grants	-	6,928	6,928	10,854
Teaching School	-	-	-	22
Teaching School Hub	-	659	659	-
National College Grants	-	-	-	98
Universal Infant Free School Meals	-	746	746	797
Pupil Premium	-	7,760	7,760	6,827
Pupil Number Adjustment	-	793	793	370
	-	134,910	134,910	118,882
Other Government grants				
Local Authority grants	-	3,508	3,508	4,728
Other income from the Academy Trust's educational operations				
	-	3,988	3,988	3,738
	-	142,406	142,406	127,348

The Academy received £1,140,259 Covid-19 funding (Covid testing and covid recovery premium)

Notes to the Financial Statements

For the Year Ended 31 August 2022

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	127	-	127	34
	127	-	127	34

6. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Short term deposits	108	-	108	13
	108	-	108	13

7. Expenditure

	Staff Costs £000	Non-Pay Premises £000	Expenditure- Other Costs £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	78,915	9,990	9,109	98,014	87,430
Allocated support costs	21,723	11,383	19,446	52,552	45,997
Teaching school	-	-	-	-	114
Teaching School Hub					-
Direct costs	527	-	-	527	-
Indirect costs	-	-	140	140	-
	101,165	21,373	28,695	151,233	133,541

Notes to the Financial Statements

For the Year Ended 31 August 2022

Net incoming resources for the year include:

	Total 2022 £000	Total 2021 £000
Operating lease rentals	3,925	2,857
Depreciation (note 14)	9,990	9,174
(Gain)/Loss on disposal of fixed assets	-	732
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations) (note 13)	-	-
Fees payable to auditor for:		
– Audit	63	53
– Other services	8	4
Legal costs	173	217

8. Charitable activities

	Total 2022 £000	Total 2021 £000
Direct costs – educational operations	98,014	87,430
Support costs – educational operations	52,552	45,997
Teaching school costs	-	114
Teaching school hub	667	-
	151,233	133,541

	Total 2022 £000	Total 2021 £000
Allocated Support Costs		
Support staff costs	21,724	21,117
Premises costs	11,383	10,159
Other Support Costs	19,345	14,614
Governance costs	100	107
	52,552	45,997

Notes to the Financial Statements

For the Year Ended 31 August 2022

9. Staff

a. Staff Costs

Staff costs during the year were:	Total 2022 £000	Total 2021 £000
Wages and salaries	74,573	68,811
Social security costs	7,832	7,050
Operating costs of defined benefit pension schemes	12,915	12,154
	95,320	88,015
Supply staff costs	5,350	2,921
Staff restructuring costs	495	1,446
	101,166	92,382
Staff restructuring costs comprise:		
Redundancy payments	340	549
Severance payments	155	897
	495	1,446

b. Severance Payments

The academy trust paid £154,225, severance payments in the year, disclosed in the following bands:

	2022 No.
0 - £25,000	7
£25,001 - £50,000	1
£50,001 - £100,000	1
£100,001 - £150,000	-
£150,000+	-

c. Non-Statutory/Non-Contractual Staff Severance Payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £70,019 (2021: £194,005). Individually, the payments were £4,120, £2,920, £2,092, £27,388, £1,964, £10,691, £3,425 and £17,419 (2021: £17,000, £5,255, £9,015, £280, £3,635, £4,758, £5,549, £5,764, £290, £3,532, £4,571, £5,685, £4,432, £1,698, £2,367, £2,496, £2,731, £3,940, £10,778, £10,944, £6,595, £6,774, £4,550, £1,394, £1,381, £2,796, £5,447, £6,046, £4,394, £5,361, £519, £545, £550, £547, £543, £839, £543, £560, £455, £534, £417, £512, £564, £492, £120, £559, £968, £563, £519, £698, £976, £439, £1,254, £4,861, £3,857, £3,583, £2,530, £5,097, £2,597, £67, £2,530, £2,123 and £3,586).



Notes to the Financial Statements

For the Year Ended 31 August 2022

9. Staff (continued)**b. Staff Numbers**

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	2022 No.	2021 No.
Charitable Activities		
Teachers	1,037	963
Teaching support	699	658
Total teachers and teaching support	1,737	1,621
Administration and support	805	759
Management	169	165
	2,710	2,545

The average full-time equivalent number of employees is 2,161 (2021: 2,064).

e. Higher Paid Staff

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

	2022 No.	2021 No.
£60,001 - £70,000	72	52
£70,001 - £80,000	28	24
£80,001 - £90,000	8	7
£90,001 - £100,000	17	18
£100,001 - £110,000	6	5
£110,001 - £120,000	2	3
£120,001 - £130,000	5	6
£130,001 - £140,000	1	1
£140,001 - £150,000	1	1
£150,001 - £160,000	1	-
£230,001 - £240,000	-	-
£250,001 - £260,000	-	-
£260,001 - £270,000	-	1
£270,001 - £280,000	1	-

One hundred and five (2021: ninety-two) of the above employees participated in the Teachers' Pension Scheme. Twenty-three (2021: seventeen) other employees participated in the Local Government Pension Scheme. During the year ended 31 August 2022, employer's pension contributions for these staff amounted to £2,072,645 (2021: £1,867,877).



Notes to the Financial Statements

For the Year Ended 31 August 2022

9. Staff (continued)

f. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team roles are as follows:

- Chief Executive Officer
- Chief Financial Officer
- Executive Directors

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,271,003 (2021: £1,066,063).

Notes to the Financial Statements

For the Year Ended 31 August 2022

10. Central services

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

- Financial Services
- Human Resources
- Facilities and Estates
- Governance
- Business Support
- ICT Strategy and Support
- Admissions
- Capital Programmes
- Communications
- Projects
- Leadership Specialism
- Safeguarding
- Data and Performance
- Curriculum and Assessment
- School Improvement and Educational Development
- External Quality Assurance
- Inclusion

The Academy Trust charges each school for these services based on a percentage (6%) of their GAG. There may also be additional charges made to some of the academies for specific levels of support. An example of this could be staffing issues at the new schools which may be covered by staff from the central services. The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
TIBHS	226	206
TIGHS	234	217
OBL	160	144
OHA	223	217
EBB	228	204
EGC	230	212
EGW	249	222
EBP	219	201
EBM	226	208
EGS	226	204
HLA	241	252
LLA	331	315
OPR	109	88
OBI	178	143
TLA	365	332
OBO	109	88
MEB	247	177
MEG	241	177
SLA	464	414
SOU	257	-
PTH	145	145
PHC	98	93
PBA	140	125
PBL	252	239
SBE	220	171
PRA	100	17
SST	695	595
PSH	136	127
SBR	127	79
SGB	174	130
SVA	194	129
	7,044	5,871

Notes to the Financial Statements

For the Year Ended 31 August 2022

11. Related Party Transactions – Trustees’ remuneration and expenses

One trustee has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive only receives remuneration in respect of the services he provides undertaking the role of CEO under his contract of employment, and not in respect of his role as trustee. The value of trustees’ remuneration and other benefits was as follows:

Sir Mufti Hamid Patel CBE (CEO and trustee):

Remuneration £270,000 - £275,000 (2021: £260,000 - £265,000)

Employer’s pension contributions paid £nil (2021: £nil)

The aggregate trustee remuneration in the year is £270,291(2021: £263,699).

During the year ended 31 August 2022, travel and subsistence expenses totalling nil (2021: nil) were reimbursed or paid directly to 0 trustee (2021: 0).

Other related party transactions involving the trustees are set out in note 29.

12. Trustees’ and Officers’ insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance providers cover up to £5,000,000 on any one claim, and the cost for the year ended 31 August 2022 was £11,250 (2021: £8,305). The cost of this insurance is included in the total insurance cost.

13. Intangible fixed assets

	Computer Software £000	Total 2022 £000
Cost		
At 1 September 2021	540	540
At 31 August 2022	540	540
Amortisation		
At 1 September 2021	540	540
Charged in year	-	-
At 31 August 2022	540	540
Net Book Value		
At 31 August 2022	-	-
At 31 August 2021	-	-

Notes to the Financial Statements

For the Year Ended 31 August 2022

14. Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Leasehold Improvements £000	Assets in the Course of Construction £000	Furniture, Fixtures and Equipment £000	Computer Equipment £000	Total 2022 £000
Cost							
At 1 September 2021	178,765	201,372	2,391	1,241	8,850	15,403	408,022
Additions	1,946	24,408	5	7,485	1,167	1,603	36,614
Transferred on conversion/transfer (note 31)	-	32,090	-	-	202	62	32,354
Reclassifications	(35,490)	35,717	(227)	-	-	-	-
Disposals	-	-	(411)	-	-	-	(411)
At 31 August 2022	145,221	293,587	1,758	8,726	10,219	17,068	476,579
Depreciation							
At 1 September 2021	15,456	7,496	841	-	5,939	9,455	39,187
Charged in year	2,953	3,613	1	-	1,154	2,269	9,990
Reclassifications	(4,032)	4,258	(227)	-	-	-	(1)
Disposals	-	-	(411)	-	-	-	(411)
At 31 August 2022	14,377	15,367	204	-	7,093	11,724	48,765
Net Book Value							
At 31 August 2022	130,844	278,220	1,554	8,276	3,126	5,344	427,814
At 31 August 2021	163,309	193,876	1,550	1,241	2,911	5,948	368,835

15. Investment

	2022 £000	2021 £000
Current asset investment (12-months deposit account)	27,000	9,016
	27,000	9,016

Notes to the Financial Statements

For the Year Ended 31 August 2022

16. Debtors

	2022	2021
	£000	£000
Trade debtors	856	575
VAT recoverable	2,467	1,290
Other debtors	19,295	7,683
Prepayments and accrued income	3,275	3,340
	25,893	12,884

17. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	3,715	2,292
Other taxation and social security	1,911	1,746
Other creditors	1,815	1,656
Loans	12	12
Accruals and deferred income	9,328	6,820
	16,781	12,526

An interest free salix loan of £73,338, relating to energy efficiency works, was granted in 2020/21. £12,223 has been paid during the year. £12,223 is to be paid within a year. The remaining balance is to be paid after one year.

Deferred income

	2022
	£000
Deferred income at 1 September 2021	2,012
Released from previous years	(2,012)
Resources deferred in the year	1,464
Deferred income at 31 August 2022	1,464

The deferred income held at 31 August 2022 consists of Start Up Grants for Academies which have not yet opened, and other grants received including funding received for 2022/23 Universal Free School Meals.

Notes to the Financial Statements

For the Year Ended 31 August 2022

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

	2022 £000	2021 £000
Loans	49	61
	49	61

19. Funds

	Balance at 1 September 2021 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	26,300	117,402	(107,650)	(2,934)	33,118
Start Up Grant	-	621	(621)	-	-
Pupil Premium	-	7,760	(7,760)	-	-
Pension reserve	(53,337)	(2,570)	(7,274)	51,246	(11,935)
Other DfE / ESFA grants	-	10,650	(10,642)	-	8
Other income / expenditure	-	4,097	(4,846)	748	(1)
Legacies	50	-	-	-	50
Teaching school hub	-	659	(667)	-	(8)
UIFSM	-	746	(746)	-	-
PNA	-	793	(793)	-	-
	(26,987)	140,158	(140,999)	49,060	21,232
Restricted fixed asset funds					
Transferred on conversion	137,985	32,354	(647)	-	169,692
DfE / ESFA Capital grants	238,096	44,557	(9,099)	(392)	273,225
Capital expenditure from GAG	5,822	-	(224)	3,263	8,841
	381,903	76,911	(9,990)	2,934	451,758
Total Restricted Funds	354,916	217,069	(150,989)	51,994	472,990
Unrestricted funds					
Unrestricted funds	3,021	1,799	(244)	(748)	3,828
Total Funds	357,937	218,868	(151,233)	51,246	476,818

Notes to the Financial Statements

For the Year Ended 31 August 2022

19. Funds (continued)

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2022. The carried forward GAG will be used towards the future operations of the free school as allocated below.

The pension fund is in deficit at the year-end of £11,935K (2021: £53,337K). There are repayment plans in place for to repay these deficits over the timeframes provided by Lancashire Council Pension Fund, West Yorkshire Pension Fund, Greater Manchester Pension Fund and West Midlands Pension Fund. Contributions are reviewed periodically by the actuary to keep the scheme in surplus.

The unrestricted funds can be used for any purpose as the trustees see fit within the charitable objectives.

The transfer from the restricted fund to the restricted fixed asset fund is the net balance from accounting for fixed asset acquisitions purchased out of GAG and non-fixed asset expenditure purchased out of Capital Grant funding such as rental costs for temporary accommodation. The transfer from the unrestricted fund to the restricted fund represents the use of unrestricted funds to fund a deficit on restricted activities.

Notes to the Financial Statements

For the Year Ended 31 August 2022

19. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Central Services	4,020	4,571
TIBHS	1,463	1,561
TIGHS	2,493	2,550
OBL	1,465	1,318
OHA	566	574
EBB	1,945	1,575
EGC	1,788	1,762
EGW	1,718	1,704
EBP	1,925	1,528
EBM	2,781	2,360
EGS	1,473	1,089
HLA	(718)	(490)
LLA	791	751
OPR	500	341
OBI	385	272
TLA	714	381
OBO	330	212
MEG	1,540	938
MEB	1,335	813
SLA	2,241	1,278
PTH	161	43
PHC	270	226
PBA	701	464
PBL	(594)	(247)
SBE	902	289
PRA	812	818
SST	3,156	2,439
SVA	(430)	(553)
PSH	798	596
SBR	360	79
SGB	480	129
SOU	1,624	-
Total before fixed assets and pension reserve	36,995	29,371
Restricted fixed asset fund	451,758	381,903
Pension reserve	(11,935)	(53,337)
Total	476,818	357,937



Notes to the Financial Statements

For the Year Ended 31 August 2022

19. Funds (continued)

Three out of the 31 operational schools were carrying a net deficit at 31 August 2022. These were:

HLA Highfield Leadership Academy is a sponsored academy which has seen a significant reduction in pupil numbers over the last three years. The school also has a PFI contract for which charges are based on capacity as opposed to actual student numbers. The school has completed a number of restructuring initiatives and there is ongoing review of all costs to ensure that the school is able to set a sustainable budget in future years. Pupil intake into Year 7 September 2022 has increased for the first time in several years.

PBL Bay Leadership is a sponsored academy which joined the Trust with pupil number below PAN. Due to a review of all expenditure at the school and an expected increase in pupil numbers, the Trust expects the school to return to a surplus by 2026/27. Pupil numbers at the school are increasing year on year.

SVA Valley Leadership Academy is a sponsored academy which joined the Trust with pupil number significantly below PAN. Due to a review of all expenditure at the school and an expected increase in pupil numbers, the Trust expects the school to return to a surplus by 2025/26. Pupil numbers at the school are increasing year on year.

Notes to the Financial Statements

For the Year Ended 31 August 2022

19. 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 and Impairment) £000	Total 2022 £000	Total 2021 £000
TIBHS	2,287	553	77	1,086	4,003	3,755
TIGHS	3,234	613	87	1,105	5,039	4,798
OBL	1,931	425	60	697	3,113	2,909
OHA	2,822	550	112	1,479	4,963	5,140
EBB	2,451	423	67	888	3,829	3,614
EGC	2,513	508	113	1,057	4,191	3,941
EGW	2,756	538	174	1,125	4,593	4,292
EBP	2,315	340	61	887	3,603	3,399
EBM	2,362	316	57	985	3,720	3,444
EGS	2,263	499	131	897	3,790	3,619
HLA	2,708	374	78	1,899	5,059	5,714
LLA	3,532	755	142	1,578	6,007	5,783
OBO	1,254	241	40	829	2,364	2,005
OPR	1,183	238	50	506	1,977	1,786
OBI	2,056	316	62	1,007	3,441	2,714
TLA	4,113	634	102	2,825	7,674	7,342
MEG	2,310	387	101	1,000	3,798	3,291
MEB	2,469	360	147	1,113	4,089	3,046
SLA	4,329	976	252	1,736	7,293	6,939
PTH	1,933	224	87	633	2,877	3,276
PHC	1,543	182	55	513	2,293	2,163
PBA	1,825	270	77	561	2,733	2,533
PBL	2,961	664	110	1,452	5,187	5,012
Central Services	1,298	7,688	878	(5,969)	3,895	4,204
SBE	2,144	342	102	833	3,421	2,779
PRA	1,147	258	49	514	1,968	314
SST	7,683	1,672	371	3,025	12,751	11,454
SVA	2,297	383	98	1,209	3,987	3,308
PSH	1,405	300	70	584	2,359	2,060
SBR	1,187	317	64	532	2,100	1,595
SGB	1,758	383	104	717	2,962	2,274
SOU	2,848	519	80	1,440	4,887	-
	78,917	22,248	4,058	28,743	133,966	118,503

Notes to the Financial Statements

For the Year Ended 31 August 2022

19. Funds (continued)

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

	Balance at 1 September 2020 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	18,548	99,588	(89,496)	(2,340)	26,300
Start Up Grant	-	695	(695)	-	-
Pupil Premium	-	6,827	(6,827)	-	-
Pension reserve	(33,384)	(9,320)	(5,132)	(5,501)	(53,337)
Other DfE / ESFA grants	-	16,498	(16,498)	-	-
Other income / expenditure	-	4,037	(4,972)	935	-
Legacies	50	-	-	-	50
	(14,786)	118,326	(123,620)	(6,906)	(26,987)
Restricted fixed asset funds					
Transferred on conversion	109,141	35,769	(6,925)	-	137,985
DfE / ESFA Capital grants	185,912	54,773	(2,125)	(464)	238,096
Capital expenditure from GAG	3,874	-	(856)	2,804	5,822
	298,927	90,542	(9,906)	2,340	381,903
Total Restricted Funds	284,141	208,867	(133,526)	(4,566)	354,916
Unrestricted funds					
Unrestricted funds	1,287	2,684	(15)	(935)	3,021
Total Funds	285,428	211,551	(133,541)	(5,501)	357,937

Notes to the Financial Statements

For the Year Ended 31 August 2022

20. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	427,814	427,814
Investments	-	27,000	-	27,000
Current assets	3,828	19,142	27,799	50,769
Current liabilities	-	(12,926)	3,855)	(16,781)
Long term liabilities	-	(49)	-	(49)
Pension scheme liability	-	(11,935)	-	(11,935)
Total net assets	3,828	21,232	451,758	476,818

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	368,835	368,835
Investments	-	9,016	-	9,016
Current assets	3,021	28,617	14,373	46,011
Current liabilities	-	(11,222)	(1,305)	(12,527)
Long term liabilities	-	(61)	-	(61)
Pension scheme liability	-	(53,337)	-	(53,337)
Total net assets	3,021	(26,987)	381,903	357,937

21. Capital commitments

At 31 August 2022, the Academy Trust had the following capital commitments:

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	11,035	473

All capital commitments are fully supported by Capital Grant programmes.

Notes to the Financial Statements

For the Year Ended 31 August 2022

22. Commitments under operating leases

Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Amounts due within one year	4,666	2,803
Amounts due between one and five years	17,735	10,087
Amounts due after five years	28,466	19,937
	50,867	32,827

23. Reconciliation of net income to net cash inflow from operating activities

	2022 £000	2021 £000
Net income for the reporting period (as per the statement of financial activities)	67,634	78,012
Adjusted for:		
Amortisation (note 13)	-	-
Depreciation (note 14)	9,990	9,174
(Profit)/loss on the sale of fixed assets	-	732
Capital grants from DfE and other capital income (note 3)	(21,901)	(6,767)
Fixed assets transferred on conversion & donated	(55,009)	(83,775)
Interest receivable (note 6)	(9)	(13)
Defined benefit pension scheme obligation inherited (note 28)	2,570	9,320
Defined benefit pension cost less contributions payable (note 28)	7,274	5,132
Defined benefit pension scheme finance cost (note 28)	-	-
(Increase)/Decrease in debtors	(1,679)	5,069
(Increase)/Decrease in creditors	4,252	(411)
Net cash inflow from Operating Activities	13,122	16,473

24. Cash flows from investing activities

	2022 £000	2021 £000
Dividends, interest and rents from investments	9	13
Purchase of tangible fixed assets	(13,958)	(19,513)
Purchase of investments	(17,983)	(9)
Loans	(12)	73
Capital grants from DfE / ESFA	10,572	14,470
Net cash outflow from capital expenditure and financial investment	(21,372)	(4,966)



Notes to the Financial Statements

For the Year Ended 31 August 2022

25. Analysis of cash and cash equivalents

	At 31 August 2022 £000	At 31 August 2021 £000
Cash in hand and at bank	24,876	33,126
Total cash and bank equivalents	24,876	33,126

26. Contingent Liabilities

The Academy Trust had no contingent liabilities at 31 August 2022.

27. Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

28. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Council, West Yorkshire Council, Greater Manchester County Council and West Midlands Council. All are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS and of the LGPS relates to the year ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £1,510,163 were payable to the schemes at 31 August 2022 (2021: £1,390,670) 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department of Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% (2020: 23.68%) of pensionable pay (including 0.08% administration levy)
- 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%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £8,868,000 (2021: £8,444,905).

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

Local Government Pension Scheme (LGPS)

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 £4,608,000 (2021: £4,272,765), of which employer's contributions totalled £3,330,000 (2021: £3,082,942) and employees' contributions totalled £1,274,000 (2021: £1,189,823). The agreed contribution rates for future years are between 12.3% and 23.0% for employers and between 5.5% and 12.5% for employees depending upon income.

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.

The Academy Trust's fund, within the LGPS is in deficit at the year-end of £11,935,000 (2021: £53,337,000). The significant reduction in the deficit in the year is as a result of changes in the actuaries' financial assumption in the discount rate, due to the higher interest and inflation rates, applied to arrive at the net present value in future cashflows. There are repayment plans in place to repay these deficits over the timeframes provided by the Pension Funds. Contributions are reviewed periodically by the actuary to keep the scheme in surplus. During the year ended 31 August 2022, Star collectively paid £658,881 of deficit repayments.



Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

Principal Actuarial Assumptions

At 31 August 2022:	GMPF	LCPF	WYPF	WMPF
Rate of increase in salaries	3.80%	4.30%	3.95%	4.05%
Rate of increase for pensions in payment / inflation	2.00%	2.90%	2.70%	2.00%
Discount rate for scheme liabilities	4.25%	4.30%	4.00%	4.25%
Inflation assumption (CPI)	3.05%	2.80%	2.70%	3.05%
Commutation of pensions to lump sums	50%	50%	50%	50%

At 31 August 2021:

Rate of increase in salaries	-	4.30%	3.85%	3.90%
Rate of increase for pensions in payment / inflation	-	2.90%	2.60%	2.90%
Discount rate for scheme liabilities	-	1.70%	1.70%	1.65%
Inflation assumption (CPI)	-	2.80%	2.60%	2.90%
Commutation of pensions to lump sums	-	50%	50%	50%

Sensitivity Analysis - LCPF

Disclosure item	Central	Sensitivity 1 +0.1% p.a discount rate £000	Sensitivity 2 +0.1% p.a inflation £000	Sensitivity 3 +0.1% p.a pay growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	28,975	28,255	29,714	29,034	29,557
Assets	(26,636)	(26,636)	(26,636)	(26,636)	(26,636)
Deficit	2,339	1,619	3,078	2,398	2,921
Projected Service Cost for next year	2,490	2,395	2,589	2,490	2,556
Projected Net Interest Cost for next year	53	22	84	55	78

Sensitivity Analysis – WYPF (LLA)

Disclosure item	Central	Sensitivity 1 +0.1% p.a discount rate £000	Sensitivity 2 +0.1% p.a inflation £000	Sensitivity 3 +0.1% p.a pay growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	3,428	3,342	3,503	3,442	3,524
Projected Service Cost for next year	219	211	227	219	227

Sensitivity Analysis – WYPF (TLA)

Disclosure item	Central	Sensitivity 1 +0.1% p.a discount rate £000	Sensitivity 2 +0.1% p.a inflation £000	Sensitivity 3 +0.1% p.a pay growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	6,990	6,794	7,151	7,025	7,193
Projected Service Cost for next year	267	257	278	267	277

Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

Sensitivity Analysis – WYPF (PTH, PHC and PBA)

Disclosure item	Central	Sensitivity 1 +0.1% p.a discount rate	Sensitivity 2 +0.1% p.a inflation	Sensitivity 3 +0.1% p.a pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	7,292	7,088	7,467	7,321	7,503
Projected Service Cost for next year	357	342	373	357	370

Sensitivity Analysis – WYPF (PRA)

Disclosure item	Central	Sensitivity 1 +0.1% p.a discount rate	Sensitivity 2 +0.1% p.a inflation	Sensitivity 3 +0.1% p.a pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	600	580	618	602	617
Projected Service Cost for next year	40	38	42	40	42

Sensitivity Analysis – WMPF

Disclosure item	Sensitivity 1 -0.1% p.a discount rate	Sensitivity 2 +0.1% p.a inflation	Sensitivity 3 +0.1% p.a pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	251	206	47	437

Sensitivity Analysis – GMPF

Disclosure item	Sensitivity 1 -0.1% p.a discount rate	Sensitivity 2 +0.1% p.a inflation	Sensitivity 3 +0.1% p.a pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	84	73	11	146

Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

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

At 31 August 2022:	GMPF	LCPF	WYPF	WMPF
Retiring today				
Males	20.3	22.3	21.8	21.2
Females	23.2	25.0	24.6	23.6
Retiring in 20 years				
Males	21.6	23.7	22.5	22.9
Females	25.1	26.8	25.7	25.4
At 31 August 2021:	GMPF	LCPF	WYPF	WMPF
Retiring today				
Males	-	22.4	21.9	21.6
Females	-	25.1	24.7	24.0
Retiring in 20 years				
Males	-	23.9	22.6	23.4
Females	-	26.9	25.8	25.8

The Academy Trust's share of the assets in the scheme were:

Fair Value at 31 August 2022:	GMPF	LCPF	WYPF	WMPF
Equities	2,140	12,573	13,192	2,472
Government Bonds	434	-	1,057	775
Other Bonds	-	1,172	710	-
Property	279	2,903	645	295
Cash and other liquid assets	248	426	662	148
Other	-	7,562	248	-
Total market value of assets	3,102	26,636	16,514	3,689

Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

Fair Value at 31 August 2021:	GMPF	LCPF	WYPF	WMPF
Equities	-	11,274	12,593	1,522
Government Bonds	-	-	1,257	206
Other Bonds	-	1,183	690	153
Property	-	2,232	597	175
Cash and other liquid assets	-	469	345	92
Other	-	7,166	221	349
Total market value of assets	-	22,324	15,703	2,497

The actual return on scheme assets was £51,246k (2021: £5,472k).

Amounts recognised in the statement of financial activities

	2022 £000	2021 £000
Current service cost (net of employee contributions)	(5,947)	(4,249)
Past service cost	(85)	(118)
Interest income	762	572
Interest cost	(1,674)	(1,253)
Administrative expenses	(330)	(87)
Total operating charge	(7,274)	(5,135)

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

	2022 £000	2021 £000
At 1 September 2021	93,861	63,628
Conversion of academy trusts	5,503	9,719
Current service cost	10,264	8,084
Interest cost	1,674	1,253
Employee contributions	1,284	1,207
Actuarial (gain)/loss	(50,087)	10,404
Benefits paid	(960)	(698)
Past service cost	337	264
At 31 August 2022	61,876	93,861



Notes to the Financial Statements

For the Year Ended 31 August 2022

28. Pension and Similar Obligations (continued)

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

	2022 £000	2021 £000
At 1 September 2021	40,524	30,244
Conversion of academy trusts	2,933	399
Interest income	762	572
Actuarial gain	1,159	4,903
Employer contributions	4,317	3,971
Employee contributions	1,284	1,207
Benefits paid	(960)	(698)
Administration costs	(78)	(74)
At 31 August 2022	49,941	40,524

29. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Expenditure Related Party Transaction

Z Dasu who is the spouse of F Dasu, a trustee of Star, is employed at TIGHS. Z Dasu's appointment was made in open competition and F Dasu was not involved in the decision-making process regarding appointment. Z Dasu is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. Z Dasu has been employed at TIGHS since 2009, before F Dasu became a Trustee of Star.

UK Kothia who is the son of KI Kothia, the Chair of trustees at Star, is employed at TIBHS. UK Kothia's appointment was made in open competition and KI Kothia was not involved in the decision-making process regarding appointment. UK Kothia is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

M Kothia who is the daughter of KI Kothia, the Chair of trustees at Star, is employed at TIBHS. M Kothia's appointment was made in open competition and KI Kothia was not involved in the decision-making process regarding appointment. M Kothia is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

The Academy Trust paid their annual subscription fees of £2,570 to the Confederation of School Trusts (CST) which supports Multi Academy Trusts throughout the country. The CEO of Star Academies is a Director of CST. Subscriptions are set at a national level. In addition, the Academy Trust paid CST £500 for the delivery of a Masterclass training session.

Notes to the Financial Statements

For the Year Ended 31 August 2022

29. Related Party Transactions (continued)

The Academy Trust entered into a service level agreement in December 2018 with Blackburn Youth Zone (registered charity no 1135949) to provide access and facilitate participation for Star Academies and its Blackburn schools to benefit from targeted services and projects to improve health and wellbeing, skills and aspirations. The Rt. Hon Jack Straw, a Member and Trustee of the Trust is also a Trustee of Blackburn Youth Zone. The value of services provided totalled £8,356 (2021: £25,000) during the period. There were no amounts outstanding at 31 August 2022 (2021: £nil). The Academy Trust made the purchase at arm's length following a competitive procurement exercise in accordance with its financial regulations.

School-Led Development Trust (Company Number 13429740) was set up by the Academy Trust in partnership with three other MATS (Outwood, Harris Federation and Oasis Community Learning) to deliver the new National Institute of Teaching (NlOT). Sir Mufti Hamid Patel CBE was one of the founding Directors of the new company. Following approval by Department for Education (DfE) and whilst awaiting funding from DfE the Academy Trust has financed some initial costs on behalf of School-Led Development Trust (SLDT) totalling £270,555 which will be fully recovered from SLDT. There was an outstanding amount of £270,555 due at 31 August 2022.

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £55,340 (2021: £56,442) and disbursed £52,031 (2021: £48,652) from the fund. An amount of £19,626 is included in other creditors relating to undistributed funds that is repayable to ESFA.

31. Conversion to an academy status/academy transfers into the Trust

Conversion to an Academy Status

On 1st March 2022, Oulder Hill Community School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Star Academies from Rochdale Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion. The budget surplus of £1,319,705 was transferred into the Trust.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000
Tangible fixed assets				
– Leasehold land and buildings	-	-	32,090	32,090
– Other tangible fixed assets	-	-	264	264
Funds on conversion	1,320	-	-	1,320
LGPS pension deficit	-	(2,570)	-	(2,570)
Total net assets	1,320	(2,570)	32,354	31,104

Notes to the Financial Statements
For the Year Ended 31 August 2022

32. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£000	£000	£000
Cash	33,053	(8,238)	24,825
Loan	73	(12)	51
	<u>33,126</u>	<u>(8,250)</u>	<u>24,876</u>
Total	33,126	(8,250)	24,876