

NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**NORTH STAR ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Mr G S Cruse Mr I Purnell Ms K M Hristakev Ms S M M Baker Ms A Wardle (resigned 28 February 2022) |
| Trustees | Ms J M Bremner, Vice Chair ^{1,2} Ms K Palmer-Greene ¹ Ms P L Harding (resigned 1 July 2022) Mr S P Hornsby ¹ Ms I F Lazar ² Mr A J F Matthews ¹ Mr R B Penska, Chair ¹ Ms G E Stacey ² Mr A Shah (appointed 18 May 2022) |
| | ¹ Finance, Audit, Risk and Resources Committee ² Pay and Performance Committee |
| Company registered number | 13057873 |
| Company name | North Star Academy Trust |
| Principal and registered office | North Star Academy Trust Long Cross Bristol BS11 0QA |
| Accounting Officer | Kaye Palmer-Greene |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL |
| Bankers | Lloyds Bank Plc Bristol City Centre Branch PO Box 1000 Bristol BX1 1LT |
| Solicitors | Stone King LLP 13 Queen Square Bath BA1 2HJ |

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates two special academies in North Bristol, North Star 82° (primary) and North Star 240° (secondary). Its academies have a combined pupil capacity of 142 and had a roll of 123 in the school census on January 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust which was incorporated on 2 December 2020 and opened as an Academy on 1 January 2021 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 North Star Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as North Star Academy Trust.

Details of the Trustees who served throughout the period and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10 million on any one claim.

Method of recruitment and appointment or election of Trustees

On 2 December 2020 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees shall comprise up to 9 Trustees who are appointed by the Members, of which there is a minimum of 2 Parent Trustees (in the event that no provision is made for at least 2 Parent Governors on each Local Governing Body). The total number of Trustees, including the CEO, who are employees of the Trust shall not exceed one third of the total number of Trustees.

Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees is in line with Safer Recruitment practices and Keeping Children Safe in Education guidance. Induction tends to be done informally, and is tailored specifically to the individual depending upon their existing experience, but would typically include a meeting with the Chair of Trustees and CEO and a tour of one of the Academies.

The Trust subscribes to The Key for School Governors and the National Governance Association from which Trustees and Governors can gain guidance, insight and answers to question on all aspects of school governance. All Trustees are provided with a login to Governorhub where they are able to access copies of policies, procedures, minutes, budgets, plans and other documents that they will need to undertake their role as Trustees. Advantage is taken of specific courses offered by the Governor Development Service and other bodies.

Organisational Structure

The Trust Members are responsible for appointing auditors, changing Articles of Association or the Trust name and the appointment / removal of Members and Trustees.

The Board of Trustees meets once each term. The Board establishes an overall framework for the governance of the Academy and determines Trusteeship, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Board is responsible for holding Executive Leaders to account for the educational & financial performance of the trust, setting the trust's vision & values, setting the strategic direction of the trust, ensuring the trust's financial success and probity, ensuring health and safety compliance and approving the budget and annual report & audited accounts.

There are currently two Committees as follows:

- Finance, Audit, Risk and Resources Committee - this meets at least five times a year and is responsible for providing assurance to the Trust Board for financial viability of the trust, budgeting, forecasting, cashflow, reserves, managing and mitigating risk, ensuring internal processes are in place, recommending internal and external auditors and ensuring robust HR procedures are in place.
- Pay and Performance Committee – meets at least once a year and is responsible for benchmarking the CEO salary and setting their objectives, reviewing staff pay and progression and HR Policies.

The Board of Trustees delegates governance functions relating to individual Academies to the Local Governing Board (LGB). The Chair of the LGB reports to and escalates to the Board of Trustees. The LGB meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the CEO and Clerk to the Trustees, to approve the Strategic Plan and budget.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academies to the CEO and Executive Leadership Teams (ELT) which comprises the CEO, the Director of Finance and Operations, the Head of School Improvement and the academy Headteachers. School Senior Leadership Team (SLT) comprise the Headteacher, Deputy Headteacher and other senior staff who hold a Teaching and Learning Responsibility (TLR).

The Chief Executive Officer is the Accounting Officer.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Arrangements for setting pay and remuneration of key management personnel

All Trustees, with the exception of the CEO, give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually through the performance management process. Recommendations for salary increases, by reference to the Trust Pay Policy, are presented to the Pay and Performance Committee for consideration.

Trade union facility time

There were no relevant union officials for the period ended 31 August 2022.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of North Star Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools offering a broad range of curriculum for pupils with Social, Emotional and Mental Health needs.

The aims of the Trust during the period ended 31 August 2022 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extracurricular activities.
- to develop students as more effective learners.
- to develop the Academy sites to enable students to achieve their full potential.
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At North Star Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year, and the strategies for achieving them are contained in our Strategic Plan. Improvement focuses identified for this year include:

- Ensuring that the vision and values of the Trust are apparent in all policies, curricula and in the provision offered and that all stakeholders are fully committed to the objectives of the Trust.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

- To develop our training and CPD programme to ensure that our staff have the right skills to raise standards further, delivering good teaching and learning, and disseminating best practice.
- To ensure that the Trust has a consistent approach to pedagogy, with principles shared across the Trust.
- To ensure the Trust has clear curriculum principles that are shared across all schools.
- To ensure quantitative data is collected in effective and consistent ways across all Trust schools and gives Trust leaders an integrated picture of performance.
- To embed key financial and administrative procedures across the Trust.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust continues to work in partnership with the Bristol City Local Authority and the surrounding areas including South Gloucestershire, North Somerset and Bath and North East Somerset, supporting students across Key Stages 1-4.

Schools within the Trust specialise in the education of pupils with Social and Emotional Mental Health needs, specifically those who have an Education, Health and Care Plan. All new admissions are referred to the Trust by a Local Authority SEN Department and are considered in accordance with our Admissions Policy. Pupils who have difficulties with their emotional and social development may have limited social skills and find it difficult to make and sustain healthy relationships. These difficulties may be displayed through the young person becoming withdrawn or isolated, as well as through challenging, disruptive or disturbing behaviour. In addition to this some pupils may have recognised disorders such as attention deficit disorder (ADD), attention deficit hyperactive disorder (ADHD), attachment disorder, or generalised anxiety disorders.

In our Key Stage 1-2 provision, we have introduced two new classes offering provision for children with neurological differences such as Autistic Spectrum Condition. This followed discussion with Bristol Local Authority regarding projected places needed, in this and forthcoming years.

The Trust continues to provide early intervention and reintegration outreach provision that is commissioned by Bristol City Council. The North Star Outreach (NSO) team promotes the inclusion of children with Social, Emotional and Mental Health (SEMH) difficulties in the mainstream classroom. NSO take referrals from across Bristol from Nursery aged provision to KS2 settings. The team are experienced at working in schools with children whose behaviour is causing a concern. They aim, through a joint planning process, to support the school to develop skills and feel more confident in gaining a shared understanding of behaviour as communication. The team develops a shared understanding of excellence in practice, using their combined experience and expertise to ensure that the children who are referred are able to thrive and engage in learning in an appropriate environment where their needs are fully understood. The LA has recognised the work of NSO as an effective model and through the Belonging in SEND strategy we have recently been awarded £50k to pilot a Key Stage 3 service working with 6 mainstream secondary schools.

Bristol LA has developed its SEN continued professional development offer and a senior leadership representative from the trust will be contributing to the development and delivery of a six-part training course to teachers new to SEMH / ALP settings, as well as those looking to move from mainstream to such settings. The Headteacher of NS82 continues to work with the LA, at a strategic level, as the co-chair of the Bristol Special Schools Partnership.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The new ALP setting being built in Sea Mills by the DfE has been delayed. New building contractors have been appointed and the anticipated completion date is now September 2023. When open, we will cater for children and young people from Key Stage 2 to Key Stage 4 (ages 7-16) who have a range of Social, Emotional and Mental Health difficulties (SEMH). All of our pupils will be provided with an exciting, balanced education which will be appropriately paced and designed to meet their individual education needs. When it opens in September 2023, the school will have capacity to take 40 pupils, rising to 85 over a 5-year period. It will offer an opportunity for pupil needs to be better understood and identified and support the process of them transitioning back into mainstream schools well equipped to successfully engage with learning. We will draw on the current strength of partnerships with schools and local authorities and work collaboratively with all stakeholders to help improve outcomes for young people.

The Trust is also in discussion with BCC to potentially provide further SEMH places using LA owned buildings.

In order to maintain high teaching standards, the Trust supports staff professionally, through our own GAP (Guidance and Performance) programme and is developing its own CPD portal. Our staff are trained through INSET days, continual professional development opportunities as well as regular staff meetings.

A new role of Head of School Improvement (HoSI) has been created (April 2022); the post holder appointed has had previous headship experience within the special school context. Creation of this role has allowed the Trust to put in place a higher degree of self-evaluation and quality assurance. As a result, there are a number of developments being made to ensure the stability and improvement of teaching and learning and the curriculum. The HoSI has introduced a planned and carefully directed approach to self-evaluation to include a deep dive, evidence-driven methodology, In addition to this internal school improvement, there has been a change to the external school improvement sought which has built on the previous SIO work.

The Trust had a successful MATSE review leading the Regional Director to believe that the Trust had the capacity to support other schools in difficult situations as well as being positive around exploring a local group of schools joining NSAT.

North Star 240°

The Academy is close to maximum capacity, with a total of 75 students on roll. There continues to be a very high level of consults coming into the school. The LA SEND data indicates that one of the highest groups of students, with EHCPs, without a school placement have SEMH as a primary need.

Outcome data at the end of year 11 continues to see students gaining nationally recognised qualifications and the majority moving on to post 16 education placements. To ensure standards continually improve, the Academy operates a programme of termly quality assurance measures, undertaken by the Subject Leads and the Senior Leadership Team. This qualitative data is used as an early intervention mechanism to trigger coaching and guidance for those staff requiring support. Our school improvement strategy was also complemented by being part of the Mulberry Bush Peer review programme.

Our School was inspected by OFSTED and rated as Good in April 2019.

North Star 82°

The Academy's attendance currently stands at 89.8% this continues to be higher than the current national average for special schools.

Currently we have 53 pupils on roll and 18 consults in process.

With an increased government focus on sport, the school has appointed a dedicated PE instructor and increased the amount of sport on offer to pupils. There are plans for this member of staff to support parents in arranging out of school sporting opportunities for the pupils.

Our school has small class sizes with 8 pupils per class, with one Teacher and one Learning Support Assistant. This enables us to give our pupils the additional support that they need. Our classes are mixed in

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

age, over 2-year groups, making sure their social and emotional needs are of paramount consideration. As well as this, it allows us to match pupils of academic ability. Many of our pupils are working several years behind age related expectations due to unmet needs, missed education or learning difficulties.

On joining us at North Star 82° many of our pupils are unable to read or write at Age Related Expectations. Through building positive relationships, having high expectations and providing scaffolded learning, we build our pupils self-esteem and show them what it feels like to learn and excel. Many new parents report their children being on reduced timetables or not attending school at all before they join us. We are collating data on previous attendance to compare with that while they attend North Star 82°.

Our assessment data from September 2021 to August 2022 shows that 96% of our pupils are making expected progress in Maths, 40% in comprehension, 55% in decoding and 66% in Writing. The difference to age-related expectations on admissions indicates that pupils do not typically make one year of progress every year, but we see this accelerate for the majority of pupils. We are increasing our focus on early reading and comprehension during the next academic year.

Throughout the academic year our School Council team meet fortnightly ensuring that pupil voice is heard throughout the school. Our School Council enjoy raising money for many fundraising events such as Children in Need, Christmas Jumper Day and Comic Relief. We also have a fully trained Anti-bullying Team who meet fortnightly and support young people around the school in feeling safe.

We are currently developing a building project in the stable-block building. This will convert an existing 'garage' into a useable space for pupils and improve a similar space already in use. Along with the existing classroom this will create a suite of room that our two new complex needs classes can use as a separate base.

Our School was inspected by OFSTED and rated as Good in April 2019.

Key Performance Indicators

The main financial performance indicators are our in-year financial activity, actuals and commitments for income and expenditure against budget levels and the level of reserves held at the Balance Sheet date.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers at the end of the academic year were 94% of capacity.

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.

FINANCIAL REVIEW

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants and Local Authorities in the form of top-up funding, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2022, the Academy received total income of £4,509,389 and incurred total expenditure of £4,320,888. The excess of income over expenditure for the year was £188,501.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

At 31 August 2022 the net book value of fixed assets was £7,685,925 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 1 October 2019 at £7,793,973. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, DFO, Headteachers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charging and Remissions and Lettings.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees are keeping reserves under close review and are building reserves at this relatively early stage of the Trust's life to enable it to undertake exciting development plans, expanding the Trust's ability to provide education. The Trust's current level of reserves (total funds less the amount held in fixed assets and restricted pension fund) is £1,927,488, of which £1,388,570 are adjusted free reserves (being unrestricted funds not ringfenced for projects and unspent GAG). This is the value that the Trustees monitor in accordance with the reserves policy and represents approximately 4 months of normal recurring expenditure; this is broadly in line with the Trustees' current plans and reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed and that the quality of teaching is sustained and continues to be an area of focus for the Executive Team.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed internal audit to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and FARR Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust undertakes any fundraising in accordance with the Charities (Protection and Social Investment) Act 2016 and the Charity Commission publication "Charity fundraising: a guide to trustee duties (CC20).

Schools within the Trust participate from time to time in fundraising activities for specific charities where the income received is paid in full to the charity concerned e.g. Sports Relief, Children in Need.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community through its primary outreach provision. There are plans to extend the service to providing support to pupils in secondary education.

The Trust will continue to work towards the opening of the new North Star Alternative Learning Provision (ALP) which is currently scheduled to open in September 2023.

The Trust has submitted three Condition Improvement Fund (CIF) bids to replace the heating system at North Star 82° and the windows and flat roofs at North Star 240°. There are also plans to install a Multi-Use Games Area at North Star 240°, subject to the granting of planning permission.

Full details of our plans for the future are given in our Strategic Plan, which is available on request from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust receives Project Development Grant from ESFA which it holds on behalf of the North Star ALP to cover costs associated with the setting up of the new school.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 21 December 2022 and signed on the board's behalf by:



Mr R B Penska
Chair of Trustees

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

| Name of Trustee | Meetings Attended | Total Meetings Held Whilst in Post |
|------------------------|--------------------------|-------------------------------------------|
| Richard Penska | 6 | 6 |
| Kaye Palmer Greene | 6 | 6 |
| Janet Bremner | 6 | 6 |
| Irina Lazar | 5 | 6 |
| Steve Hornsby | 6 | 6 |
| Gabrielle Stacey | 3 | 6 |
| Adam Matthews | 4 | 6 |
| Pippa Harding | 3 | 5 |
| Amar Shah | 0 | 1 |

The Trust Board meet six times a year, once each term. The trustees delegate some of their responsibilities to the Local Governing Board (via the Scheme of Delegation) who also meet termly.

The Trust Board has established an overall framework for the governance of the Trust and its schools, determining membership, terms of reference, policies and procedures. The Trust Board receives reports for discussion, and it monitors the activities of the schools through the minutes of Local Governing Board meetings. A trustee attends the Local Governing Board meetings and the Chair of the Local Governing Board attends Trust Board meetings in order to ensure robust communication across the governance of the Trust.

During the year Pippa Harding resigned as a trustee and Amar Shah joined the Trust as a trustee.

A Pay and Performance Committee met during October, comprising of three trustees, supported with salary information provided by the DFO.

The Trust Board has devolved responsibility for day-to-day management of the Trust to the CEO, the DFO and the Senior Leadership Team, which is detailed in the Scheme of Delegation

Governance Review

The Trust has a robust strategic plan which is a standing agenda item for each Trust Board meeting. Through the regular review of this plan the trustees have identified key areas of governance where processes can be improved. This has resulted in the drafting of a Local Governing Board Handbook, additional recruitment to

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

the LGB and Trust Board, a detailed LGB annual meeting plan, improved executive reporting templates, and a proposed new governance structure once the new school is opened.

The Trust has ambitious growth plans which are underway and therefore a skills audit is planned for 2022-23 when the new governance structure will be enacted.

The Finance, Audit, Risk and Resources Committee is a sub-committee of the main Board of Trustees. The purpose of the FARR Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, monitor the progress of income and expenditure, capture and mitigate key risks, and review the staffing structure and recruitment processes. Additionally, these trustees attend the audit planning and closing meetings. Its purpose is to ensure the trustees review, understand and approve the financial statements. The FARR Committee has formally met five times during the year.

Attendance at meetings in the year was as follows:

| Name of Trustee | Meetings Attended | Total Meetings Held Whilst in Post |
|------------------------|--------------------------|-------------------------------------------|
| Janet Bremner | 5 | 5 |
| Richard Penska | 3 | 5 |
| Adam Matthews | 3 | 5 |
| Kaye Palmer-Greene | 5 | 5 |
| Steve Hornsby | 4 | 5 |

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer 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:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 North Star

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Academy Trust for the period from 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 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. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance, Audit, Risk and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- 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 Audit West as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included the testing of Governance and Budgetary Control.

The audit findings were reported to the Board of Trustees, through the Finance, Audit, Risk and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor delivered their schedule of work as planned. There was a total of four audit recommendations, all of which were from medium risk audit findings.

REVIEW OF EFFECTIVENESS

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

- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit, Risk and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Approved by order of the Trustees of the Board of Trustees on 21 December 2022 and signed on its behalf by:



Mr R B Penska
Chair of Trustees



Ms K Palmer-Greene
Accounting Officer

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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



Kaye Palmer-Greene
Accounting Officer

Date: 21 December 2022

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 and signed on its behalf by:



Mr R Penska
Chair of Trustees

Date: 21 December 2022

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of North Star Academy Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy 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 and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academy Trust Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Talbot FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

22 December 2022

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 20 September 2021 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 North Star Academy Trust during the year ended 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 North Star Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North Star Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North Star Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF NORTH STAR ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of North Star Academy Trust's funding agreement with the Secretary of State for Education dated December 2020 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 year ended 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year ended 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.

Bishop Fleming LLP

Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 22 December 2022

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

| | | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds | Total funds 9 months ended 31 August 2021 £ |
|---------------------------------------------------------------------|------|------------------------|------------------------|------------------------------------|------------------------|---------------------------------------------------------------|
| | Note | 31 August 2022 £ | 31 August 2022 £ | 31 August 2022 £ | 31 August 2022 £ | |
| Income from: | | | | | | |
| Donations and capital grants | 3 | 766 | - | 14,632 | 15,398 | 6,921,907 |
| Charitable activities | | 93,416 | 4,400,575 | - | 4,493,991 | 2,989,860 |
| Total income | | 94,182 | 4,400,575 | 14,632 | 4,509,389 | 9,911,767 |
| Expenditure on: | | | | | | |
| Charitable activities | | 7,021 | 4,115,914 | 197,953 | 4,320,888 | 2,870,399 |
| Total expenditure | | 7,021 | 4,115,914 | 197,953 | 4,320,888 | 2,870,399 |
| Net movement in funds before other recognised gains/(losses) | | 87,161 | 284,661 | (183,321) | 188,501 | 7,041,368 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 23 | - | 1,898,000 | - | 1,898,000 | (187,000) |
| Net movement in funds | | 87,161 | 2,182,661 | (183,321) | 2,086,501 | 6,854,368 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 807,285 | (1,891,619) | 7,938,702 | 6,854,368 | - |
| Net movement in funds | | 87,161 | 2,182,661 | (183,321) | 2,086,501 | 6,854,368 |
| Total funds carried forward | | 894,446 | 291,042 | 7,755,381 | 8,940,869 | 6,854,368 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 51 form part of these financial statements.

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:13057873**

**BALANCE SHEET
AS AT 31 AUGUST 2022**

| | Note | 2022 £ | 2021 £ |
|------------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 7,685,925 | 7,759,523 |
| | | <u>7,685,925</u> | <u>7,759,523</u> |
| Current assets | | | |
| Debtors | 13 | 133,101 | 178,154 |
| Cash at bank and in hand | | 2,245,105 | 1,486,049 |
| | | <u>2,378,206</u> | <u>1,664,203</u> |
| Creditors: amounts falling due within one year | 14 | (381,262) | (227,358) |
| | | <u>1,996,944</u> | <u>1,436,845</u> |
| Net current assets | | 1,996,944 | 1,436,845 |
| Total assets less current liabilities | | 9,682,869 | 9,196,368 |
| Defined benefit pension scheme liability | 23 | (742,000) | (2,342,000) |
| Total net assets | | 8,940,869 | <u>6,854,368</u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 15 | 7,755,381 | 7,938,702 |
| Restricted income funds | 15 | 1,033,042 | 450,381 |
| | | <u>8,788,423</u> | <u>8,389,083</u> |
| Restricted funds excluding pension asset | 15 | 8,788,423 | 8,389,083 |
| Pension reserve | 15 | (742,000) | (2,342,000) |
| | | <u>8,046,423</u> | <u>6,047,083</u> |
| Total restricted funds | 15 | 8,046,423 | 6,047,083 |
| Unrestricted income funds | 15 | 894,446 | 807,285 |
| | | <u>8,940,869</u> | <u>6,854,368</u> |
| Total funds | | 8,940,869 | <u>6,854,368</u> |

The financial statements on pages 23 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr R B Penska
Chair of Trustees

Date: 21 December 2022

The notes on pages 26 to 51 form part of these financial statements.

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

| | Note | 31 August 2022 £ | 9 months ended 31 August 2021 £ |
|---------------------------------------------------------|-------------|---------------------------------|--------------------------------------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 17 | 868,779 | 519,934 |
| Cash flows from investing activities | | | |
| | 19 | (109,723) | (9,644) |
| Change in cash and cash equivalents in the year | | 759,056 | 1,486,049 |
| Cash and cash equivalents at the beginning of the year | | 1,486,049 | - |
| Cash and cash equivalents at the end of the year | 20, 21 | 2,245,105 | 1,486,049 |

The notes on pages 26 to 51 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

1.3 INCOME

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

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

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

1.4 EXPENDITURE

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

• **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.

1.5 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.

1.6 TANGIBLE FIXED ASSETS

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

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

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

| | |
|------------------------------|---------------------------|
| Long-term leasehold property | - 125 years straight-line |
| Furniture and equipment | - 5 years straight-line |
| Computer equipment | - 3 years straight-line |
| Motor vehicles | - 4 years straight-line |

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

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

1.10 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

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

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

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

1.13 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 Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds | Total funds 9 months ended |
|-----------------------|-----------------------|---------------------|------------------------------------|----------------------|-------------------------------------|
| | 31 August 2022 | 31 August 2022 | 31 August 2022 | 31 August 2022 | 31 August 2021 |
| | £ | £ | £ | £ | £ |
| DONATIONS | | | | | |
| Amounts on conversion | - | - | - | - | 6,889,947 |
| Donations | 766 | - | - | 766 | 1,842 |
| Capital Grants | - | - | 14,632 | 14,632 | 30,118 |
| | <u>766</u> | <u>-</u> | <u>14,632</u> | <u>15,398</u> | <u>6,921,907</u> |
| TOTAL 2021 | <u>808,749</u> | <u>(1,952,971)</u> | <u>8,066,129</u> | <u>6,921,907</u> | |

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

| | Unrestricted funds | Restricted funds | Total funds | Total funds 9 months ended 31 August 2021 £ |
|------------------------------------------------------------|------------------------|------------------------|------------------------|---------------------------------------------------------------|
| | 31 August 2022 £ | 31 August 2022 £ | 31 August 2022 £ | |
| EDUCATION | | | | |
| DFE/ESFA GRANTS | | | | |
| General Annual Grant | - | 1,570,000 | 1,570,000 | 1,044,964 |
| Pupil Premium | - | 105,390 | 105,390 | 65,019 |
| Start up Grants | - | - | - | 50,000 |
| National Tutoring grant | - | 31,013 | 31,013 | - |
| Project Development Grant | - | 149,140 | 149,140 | - |
| Other DfE/ESFA grants | - | 22,159 | 22,159 | 111,540 |
| | - | 1,877,702 | 1,877,702 | 1,271,523 |
| OTHER GOVERNMENT GRANTS | | | | |
| SEN Funding | - | 2,476,647 | 2,476,647 | 1,665,576 |
| Pupil Premium | - | 14,415 | 14,415 | 7,811 |
| Other Local Authority Grants | - | 1,788 | 1,788 | 42,180 |
| | - | 2,492,850 | 2,492,850 | 1,715,567 |
| Other income from the Academy Trust's education | 93,416 | - | 93,416 | 2,770 |
| COVID-19 ADDITIONAL FUNDING (DFE/ESFA) | | | | |
| Recovery Premium | - | 30,023 | 30,023 | - |
| | 93,416 | 4,400,575 | 4,493,991 | 2,989,860 |
| TOTAL 2021 | 2,770 | 2,987,090 | 2,989,860 | |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. EXPENDITURE

| | Staff Costs | Premises | Other | Total | Total 9 months ended |
|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| | 31 August 2022 | 31 August 2022 | 31 August 2022 | 31 August 2022 | 31 August 2021 |
| | £ | £ | £ | £ | £ |
| EDUCATION: | | | | | |
| Direct costs | 2,767,082 | 166,804 | 333,812 | 3,267,698 | 2,205,348 |
| Allocated support costs | 461,195 | 256,172 | 335,823 | 1,053,190 | 665,051 |
| | <u>3,228,277</u> | <u>422,976</u> | <u>669,635</u> | <u>4,320,888</u> | <u>2,870,399</u> |
| TOTAL 2021 | <u>2,221,712</u> | <u>246,013</u> | <u>402,674</u> | <u>2,870,399</u> | |

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly | Support costs | Total funds | Total funds 9 months ended |
|------------|-----------------------------------------------|---------------------------|---------------------------|-------------------------------------|
| | 31 August 2022 | 31 August 2022 | 31 August 2022 | 31 August 2021 |
| | £ | £ | £ | £ |
| Education | <u>3,267,698</u> | <u>1,053,190</u> | <u>4,320,888</u> | <u>2,870,399</u> |
| TOTAL 2021 | <u>2,205,348</u> | <u>665,051</u> | <u>2,870,399</u> | |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

| | Total funds 31 August 2022 £ | Total funds 9 months ended 31 August 2021 £ |
|------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------|
| Pension finance costs | 28,000 | 19,000 |
| Staff costs | 2,488,828 | 1,764,574 |
| Depreciation | 166,804 | 109,767 |
| Educational supplies | 41,192 | 77,748 |
| Examination fees | 2,812 | 1,709 |
| Staff development | 16,451 | 8,768 |
| Other costs | 21,279 | 7,174 |
| Supply teaching staff | 278,254 | 149,234 |
| Bank interest and charges | 163 | 163 |
| External education providers | 220,953 | - |
| Educational consultancy | 2,962 | 67,211 |
| | <u>3,267,698</u> | <u>2,205,348</u> |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

| | Total funds 31 August 2022 £ | Total funds 9 months ended 31 August 2021 £ |
|---------------------------------------|-----------------------------------------------------|----------------------------------------------------------------------------|
| Pension finance costs | 14,000 | 5,000 |
| Staff costs | 454,630 | 281,012 |
| Depreciation | 31,149 | 17,660 |
| Other costs | 117 | - |
| Supply staff | 6,565 | 26,892 |
| Recruitment and support | 16,243 | 1,537 |
| Maintenance of premises and equipment | 61,891 | 48,629 |
| Cleaning | 56,860 | 44,224 |
| Rent and rates | 6,037 | 4,105 |
| Energy costs | 83,203 | 30,174 |
| Insurance | 2,983 | 1,613 |
| Security and transport | 35,093 | 28,018 |
| Catering | 49,508 | 44,981 |
| Technology costs | 41,819 | 19,451 |
| Office overheads | 85,750 | 65,573 |
| Legal and professional | 101,467 | 27,565 |
| Governance costs | 5,875 | 18,617 |
| | 1,053,190 | 665,051 |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 5,775 | 5,170 |
| Depreciation of tangible fixed assets | 193,122 | 127,427 |
| Fees paid to auditors for: | | |
| - audit | 16,500 | 15,000 |
| - other services | 2,730 | 530 |
| | 198,127 | 147,127 |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

| | 31 August 2022 | 9 months ended 31 August 2021 |
|-----------------------|---------------------------|----------------------------------------|
| | £ | £ |
| Wages and salaries | 2,042,136 | 1,445,744 |
| Social security costs | 209,226 | 142,899 |
| Pension costs | 692,096 | 456,943 |
| | 2,943,458 | 2,045,586 |
| Agency staff costs | 284,819 | 176,126 |
| | 3,228,277 | 2,221,712 |

b. STAFF NUMBERS

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

| | No. 2022 | 9 months ended 31 August 2021 |
|-----------------------------|---------------------|----------------------------------------|
| | No. | No. |
| Teachers | 23 | 28 |
| Educational Support | 31 | 36 |
| Administration and Clerical | 6 | 7 |
| Management | 8 | 5 |
| | 68 | 76 |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. STAFF (CONTINUED)

b. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

| | 31 August 2022 No. | 9 months ended 31 August 2021 No. |
|-----------------------------|-----------------------------------|-----------------------------------------------|
| Teachers | 21 | 25 |
| Educational Support | 30 | 35 |
| Administration and Clerical | 5 | 6 |
| Management | 8 | 5 |
| | <u>64</u> | <u>71</u> |

c. HIGHER PAID STAFF

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

| | 31 August 2022 No. | 9 months ended 31 August 2021 No. |
|--------------------------------|-----------------------------------|-----------------------------------------------|
| In the band £60,001 - £70,000 | 2 | 1 |
| In the band £90,001 - £100,000 | 1 | - |
| | <u>1</u> | <u>-</u> |

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £574,318 (2021 - £202,878).

9. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

**NORTH STAR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: K Palmer-Greene: Remuneration £95,000 - £100,000 (2021: £65,000 - £70,000), Employer's pension contributions £20,000 - £25,000 (2021: £15,000 - £20,000).

Other related party transactions involving the trustees are set out in note 27.

During the year ended 31 August 2022, expenses totalling £NIL were reimbursed or paid directly to Trustees (2021 - £161 to 1 Trustee).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TANGIBLE FIXED ASSETS

| | Freehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---------------------------|------------------------------------|----------------------------|------------------------|-------------------------|
| COST OR VALUATION | | | | | |
| At 1 September 2021 | 7,793,973 | 45,347 | 25,550 | 22,080 | 7,886,950 |
| Additions | - | 72,278 | 52,077 | - | 124,355 |
| At 31 August 2022 | <u>7,793,973</u> | <u>117,625</u> | <u>77,627</u> | <u>22,080</u> | <u>8,011,305</u> |
| DEPRECIATION | | | | | |
| At 1 September 2021 | 115,589 | 2,481 | 5,677 | 3,680 | 127,427 |
| Charge for the year | 173,384 | 7,010 | 12,039 | 5,520 | 197,953 |
| At 31 August 2022 | <u>288,973</u> | <u>9,491</u> | <u>17,716</u> | <u>9,200</u> | <u>325,380</u> |
| NET BOOK VALUE | | | | | |
| At 31 August 2022 | <u><u>7,505,000</u></u> | <u><u>108,134</u></u> | <u><u>59,911</u></u> | <u><u>12,880</u></u> | <u><u>7,685,925</u></u> |
| At 31 August 2021 | <u><u>7,678,384</u></u> | <u><u>42,866</u></u> | <u><u>19,873</u></u> | <u><u>18,400</u></u> | <u><u>7,759,523</u></u> |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. DEBTORS

| | 2022 | 2021 |
|--------------------------------|----------------|---------|
| | £ | £ |
| DUE WITHIN ONE YEAR | | |
| Prepayments and accrued income | 85,828 | 64,910 |
| VAT recoverable | 47,273 | 113,244 |
| | 133,101 | 178,154 |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|------------------------------------|----------------|---------|
| | £ | £ |
| Trade creditors | 127,380 | 68,819 |
| Other taxation and social security | 62,999 | 51,850 |
| Other creditors | 57,456 | 41,049 |
| Accruals and deferred income | 133,427 | 65,640 |
| | 381,262 | 227,358 |

| | 2022 | 2021 |
|----------------------------------------|----------------|-------|
| | £ | £ |
| Deferred income at 1 September 2021 | 9,140 | - |
| Resources deferred during the year | - | 9,140 |
| Amounts released from previous periods | (9,140) | - |
| | - | 9,140 |

At the balance sheet date the Academy Trust was holding funds in relation to a school due to join the Trust in the next financial year.

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. STATEMENT OF FUNDS

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-----------------------------------------------------------------|----------------------------------------|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 807,285 | 94,182 | (7,021) | (413,405) | - | 481,041 |
| Designated funds - heating project | - | - | - | 141,268 | - | 141,268 |
| Designated funds - roof project | - | - | - | 66,143 | - | 66,143 |
| Designated funds - windows project | - | - | - | 94,131 | - | 94,131 |
| Designated funds - multi-use games area (MUGA) project | - | - | - | 111,863 | - | 111,863 |
| | 807,285 | 94,182 | (7,021) | - | - | 894,446 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant | 450,381 | 1,570,000 | (1,112,852) | - | - | 907,529 |
| Pupil Premium | - | 105,390 | (105,390) | - | - | - |
| High Needs | - | 2,476,647 | (2,476,647) | - | - | - |
| Other DfE/ESFA grants | - | 83,195 | (83,195) | - | - | - |
| LA Pupil Premium | - | 14,415 | (14,415) | - | - | - |
| Other LA grants | - | 1,788 | (1,788) | - | - | - |
| ALP | - | 149,140 | (23,627) | - | - | 125,513 |
| Pension reserve | (2,342,000) | - | (298,000) | - | 1,898,000 | (742,000) |
| | (1,891,619) | 4,400,575 | (4,115,914) | - | 1,898,000 | 291,042 |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

| | | | | | | |
|------------------------------------------------------------|------------------|------------------|--------------------|-----------------|------------------|------------------|
| Fixed assets transferred on conversion | 7,766,423 | - | (190,507) | - | - | 7,575,916 |
| Fixed assets purchased from GAG and other restricted funds | - | - | (7,446) | 59,579 | - | 52,133 |
| Cash transferred on conversion | 142,161 | - | - | (14,829) | - | 127,332 |
| Capital grants | 30,118 | 14,632 | - | (44,750) | - | - |
| | 7,938,702 | 14,632 | (197,953) | - | - | 7,755,381 |
| TOTAL RESTRICTED FUNDS | 6,047,083 | 4,415,207 | (4,313,867) | - | 1,898,000 | 8,046,423 |
| TOTAL FUNDS | 6,854,368 | 4,509,389 | (4,320,888) | - | 1,898,000 | 8,940,869 |

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

UNRESTRICTED FUNDS

Designated projects - A total of £413,405 has been ringfenced in respect of the Trust's contribution towards future works and improvements to facilities as described above.

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Other DfE/ESFA Grants - This represents funding received from the ESFA to make additional and sustainable improvements to the quality of PE and sport on offer in primary academies, as well as funding to provide additional tutoring to students whose education has been disadvantaged by the Covid-19 pandemic.

LA Pupil Premium - LA Pupil Premium represents funding received from the local authority for children eligible for free school meals and pay for things such as school trips, additional teachers and assistants to provide extra support and 1 to 1 tutoring.

Other LA Grants - This represents other grants from Bristol City Council received during the period.

Donations - This represents donations received for a specific purpose by pupil parents and other fundraising activities by the Trust.

15. STATEMENT OF FUNDS (CONTINUED)

Project Development Grant - This represents funding received from the ESFA to fund project management and other costs in respect of North Star ALP.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the Trust from the Local Authority on conversion to an Academy.

Fixed assets purchased from LA cash transferred on conversion - This represents fixed assets purchased from cash from the Local Authority transferred on conversion to an Academy.

Cash transferred on conversion - This represents cash received from the Local Authority on conversion to an Academy which is required to be spent on capital and remains unspent at the period end.

Capital Grants - This represents monies received from the ESFA and Local Authority for the purchase and maintenance of fixed assets. Amounts carried forward at the period end are held for future projects and maintenance.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. STATEMENT OF FUNDS (CONTINUED)

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

| | Balance at 1 December 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---------------------------------|---------------------------------------|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | 811,519 | - | (4,234) | - | - | 807,285 |
| RESTRICTED GENERAL FUNDS | | | | | | |
| General Annual Grant | - | 1,044,964 | (594,583) | - | - | 450,381 |
| Start Up Grant | - | 50,000 | (50,000) | - | - | - |
| Pupil Premium | - | 65,019 | (65,019) | - | - | - |
| High Needs | - | 1,665,576 | (1,665,576) | - | - | - |
| Other DfE/ESFA grants | - | 111,540 | (111,540) | - | - | - |
| LA Pupil Premium | - | 7,811 | (7,811) | - | - | - |
| Other LA grants | - | 42,180 | (42,180) | - | - | - |
| ALP | - | 29 | (29) | - | - | - |
| Pension reserve | - | (1,953,000) | (202,000) | - | (187,000) | (2,342,000) |
| | - | 1,034,119 | (2,738,738) | - | (187,000) | (1,891,619) |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. STATEMENT OF FUNDS (CONTINUED)

| | Balance at 1 December 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---------------------------------------------------------------------|---------------------------------------|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | - | 7,867,188 | (125,912) | - | - | 7,741,276 |
| Fixed assets purchased from GAG and other restricted funds | - | - | (1,515) | 26,662 | - | 25,147 |
| Cash transferred on conversion | - | 168,823 | - | (26,662) | - | 142,161 |
| Capital grants | - | 30,118 | - | - | - | 30,118 |
| | - | 8,066,129 | (127,427) | - | - | 7,938,702 |
| TOTAL RESTRICTED FUNDS | - | 9,100,248 | (2,866,165) | - | (187,000) | 6,047,083 |
| TOTAL FUNDS | 811,519 | 9,100,248 | (2,870,399) | - | (187,000) | 6,854,368 |

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £ |
|----------------------------------------------------|-------------------|
| North Star 82° | 906,030 |
| North Star 240° | 895,946 |
| North Star Alternative Learning Provision | 125,512 |
| Total before fixed asset funds and pension reserve | 1,927,488 |
| Restricted fixed asset fund | 7,755,381 |
| Pension reserve | (742,000) |
| TOTAL | 8,940,869 |

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15. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2022 £ |
|----------------------------------------------|---------------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------------------|-------------------------|
| North Star 82° | 1,353,211 | 249,273 | 25,520 | 320,430 | 1,948,434 |
| North Star 240° | 1,413,871 | 259,797 | 15,672 | 461,534 | 2,150,874 |
| North Star Alternative Learning Provision | - | - | - | 23,627 | 23,627 |
| ACADEMY TRUST | <u>2,767,082</u> | <u>509,070</u> | <u>41,192</u> | <u>805,591</u> | <u>4,122,935</u> |

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|----------------------------------------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|
| Tangible fixed assets | 64,776 | - | 7,621,149 | 7,685,925 |
| Current assets | 829,670 | 1,414,304 | 134,232 | 2,378,206 |
| Creditors due within one year | - | (381,262) | - | (381,262) |
| Provisions for liabilities and charges | - | (742,000) | - | (742,000) |
| TOTAL | <u>894,446</u> | <u>291,042</u> | <u>7,755,381</u> | <u>8,940,869</u> |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|----------------------------------------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|
| Tangible fixed assets | - | - | 7,759,523 | 7,759,523 |
| Current assets | 807,285 | 677,739 | 179,179 | 1,664,203 |
| Creditors due within one year | - | (227,358) | - | (227,358) |
| Provisions for liabilities and charges | - | (2,342,000) | - | (2,342,000) |
| TOTAL | 807,285 | (1,891,619) | 7,938,702 | 6,854,368 |

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 £ | 9 months ended 2021 £ |
|--------------------------------------------------------------------|-----------------|--------------------------------|
| Net income for the year (as per Statement of Financial Activities) | 188,501 | 7,041,368 |
| ADJUSTMENTS FOR: | | |
| Depreciation | 197,953 | 127,427 |
| Capital grants from DfE and other capital income | (14,632) | (30,118) |
| Defined benefit pension scheme cost less contributions payable | 256,000 | 178,000 |
| Defined benefit pension scheme finance cost | 42,000 | 24,000 |
| Decrease/(increase) in debtors | 45,053 | (158,154) |
| Increase in creditors | 153,904 | 227,358 |
| Net assets received on conversion | - | (6,889,947) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 868,779 | 519,934 |

18. CASH FLOWS FROM FINANCING ACTIVITIES

| | 2022 £ | 2021 £ |
|--------------------------------------------------|-----------|-----------|
| Cash transferred on conversion to the Trust | - | 975,759 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | - | 975,759 |

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19. CASH FLOWS FROM INVESTING ACTIVITIES

| | 2022 £ | 2021 £ |
|---------------------------------------------------|------------------|----------------|
| Purchase of tangible fixed assets | (124,355) | (39,762) |
| Capital grants from DfE Group | 14,632 | 13,898 |
| Capital funding received from sponsors and others | - | 16,220 |
| NET CASH USED IN INVESTING ACTIVITIES | (109,723) | (9,644) |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2022 £ | 2021 £ |
|----------------------------------------|------------------|------------------|
| Cash in hand and at bank | 2,245,105 | 1,486,049 |
| TOTAL CASH AND CASH EQUIVALENTS | 2,245,105 | 1,486,049 |

21. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,486,049 | 759,056 | 2,245,105 |
| | 1,486,049 | 759,056 | 2,245,105 |

22. CAPITAL COMMITMENTS

| | 2022 £ | 2021 £ |
|----------------------------------------------------------------------|-----------|-----------|
| CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS | | |
| Acquisition of tangible fixed assets | 50,812 | - |

23. PENSION COMMITMENTS

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 Avon Pension Fund. Both are multi-employer defined benefit schemes.

23. PENSION COMMITMENTS (CONTINUED)

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

Contributions amounting to £47,843 were payable to the schemes at 31 August 2022 (2021 - £29,420) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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.

VALUATION OF THE TEACHERS' PENSION SCHEME

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 2023.

The employer's pension costs paid to TPS in the year amounted to £265,252 (2021 - £191,346).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £203,000 (2021 - £155,000), of which employer's contributions totalled £155,000 (2021 - £117,000) and employees' contributions totalled £ 48,000 (2021 - £38,000). The agreed contribution rates for future years are 14.1 - 17.1 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

PRINCIPAL ACTUARIAL ASSUMPTIONS

| | 2022 | 2021 |
|----------------------------------------------------|-------------|------|
| | % | % |
| Rate of increase in salaries | 4.3 | 4.3 |
| Rate of increase for pensions in payment/inflation | 2.9 | 2.9 |
| Discount rate for scheme liabilities | 4.3 | 1.7 |
| Inflation assumption (CPI) | 2.8 | 2.8 |

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

| | 2022 | 2021 |
|-----------------------------|-------------|-------|
| | Years | Years |
| RETIRING TODAY | | |
| Males | 24.6 | 23.3 |
| Females | 27.3 | 25.4 |
| RETIRING IN 20 YEARS | | |
| Males | 23.1 | 24.8 |
| Females | 25.3 | 27.4 |

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

| | At 31 August 2022 £ |
|-------------------------------------|------------------------------------|
| Equities | 519,000 |
| Corporate bonds | 216,000 |
| Property | 92,000 |
| Cash and other liquid assets | 4,000 |
| Other | 426,000 |
| TOTAL MARKET VALUE OF ASSETS | 1,257,000 |

The actual return on scheme assets was £(24,000) (2021 - £97,000).

The amounts recognised in the Statement of Financial Activities are as follows:

| | 2022 £ | 9 months ended 2021 £ |
|-----------------------------------------------------------------------------|-------------------|------------------------------------------|
| Current service cost | (411,000) | (295,000) |
| Interest income | 15,000 | 5,000 |
| Interest cost | (57,000) | (29,000) |
| Administrative expenses | (5,000) | - |
| TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES | (458,000) | (319,000) |

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

| | 2022 £ | 2021 £ |
|------------------------------|--------------------|-------------------|
| AT 1 SEPTEMBER | 3,436,000 | - |
| Conversion of academy trusts | - | 2,798,000 |
| Current service cost | 411,000 | 295,000 |
| Interest cost | 57,000 | 29,000 |
| Employee contributions | 48,000 | 38,000 |
| Actuarial (gains)/losses | (1,941,000) | 276,000 |
| Benefits paid | (12,000) | - |
| AT 31 AUGUST | 1,999,000 | 3,436,000 |

**NORTH STAR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

23. PENSION COMMITMENTS (CONTINUED)

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

| | 2022 | 2021 |
|------------------------------|------------------|-----------|
| | £ | £ |
| AT 1 SEPTEMBER | 1,094,000 | - |
| Conversion of academy trusts | - | 845,000 |
| Interest income | 20,000 | 5,000 |
| Actuarial (losses)/gains | (43,000) | 89,000 |
| Employer contributions | 155,000 | 117,000 |
| Employee contributions | 48,000 | 38,000 |
| Benefits paid | (12,000) | - |
| Administration expense | (5,000) | - |
| AT 31 AUGUST | 1,257,000 | 1,094,000 |

24. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 | 2021 |
|----------------------------------------------|---------------|-------|
| | £ | £ |
| Not later than 1 year | 8,662 | 1,939 |
| Later than 1 year and not later than 5 years | 7,809 | - |
| | 16,471 | 1,939 |

25. MEMBERS' LIABILITY

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

26. GENERAL INFORMATION

North Star Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is North Star Academy Trust, Long Cross, Bristol, United Kingdom, BS11 0QA.

27. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 10.