

**Company Registration No. 12109048 (England and Wales)**

**STEEL RIVER ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

# STEEL RIVER ACADEMY TRUST

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# STEEL RIVER ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Julian Blakeley  
Sally Hirst  
Martyn Petrie  
Gemma Simon

### Trustees

A H Duncan  
P Jackson  
A K Mackenzie  
S J Powell (Chair)  
A Ryalls  
J M Sinclair  
J A Wilkinson  
D J Flounders (Resigned 8 July 2020)  
K E Race (Resigned 31 March 2020)  
J Savage (Resigned 1 September 2019)  
K McDonald (Appointed 25 September 2020)  
L Misaljevich (Appointed 25 September 2020)  
M A Williamson (Appointed 5 October 2020)

### Senior management team

- CEO/Caedmon Headteacher	Steve McLean (Resigned 1 November 2020)
- Interim CEO/Grangetown Headteacher	Jason Murgatroyd (Appointed 1 November 2020)
- School Improvement Lead/Bankfields Headteacher	Patricia Petrie
- School Improvement Lead/Whale Hill Headteacher	Melanie Mellor
- Safeguarding Lead/Whale Hill Headteacher	Sandra Marsden
- Acting Caedmon Headteacher	Sarah Hill
- CFO	Cathy Fidgeon (Resigned 31 October 2020)

### Company secretary

C Fidgeon

### Company registration number

12109048 (England and Wales)

### Registered office

Caedmon Primary School  
Attlee Road  
Middlesbrough  
TS6 7NA

### Academies operated

Bankfields Primary School  
Whale Hill Primary School

### Location

Middlesbrough  
Middlesbrough

### Principal

Patricia Petrie  
Melanie Mellor & Sandra Marsden  
Jason Murgatroyd  
Steve McLean & Sarah Hill

Grangetown Primary School  
Caedmon Primary School

Middlesbrough  
Middlesbrough

# STEEL RIVER ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Independent auditor</b>	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB
<b>Bankers</b>	Lloyds Bank plc Lloyds 83 Linthorpe Road Middlesbrough TS1 5BU
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 4 x primary academies in the North East. Its academies have a combined pupil capacity of 1554 and had a roll of 1516 in the school census on January 2020.

### **Structure, governance and management**

#### Constitution

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

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

The academy trust has purchased insurance to protect Trustees and governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

#### Method of recruitment and appointment or election of trustees

Trustees are appointed by members in accordance with the academy's trust's Articles of Association. There is a legal minimum of three Trustees. The Board of Trustees assesses what expertise it requires to strengthen its activities and responsibilities and prospective trustees and governors are approached on that basis. Efforts are made to find locally based individuals who meet the required criteria.

#### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees and governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new trustees and governors meet member of the key leadership personnel and are given a tour of the academy and the chance to meet with staff and students. (This has been temporarily suspended due to COVID-19). All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there might only be one or two new trustees or governors in any year, induction is tailored specifically to the individual.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Organisational structure

There are four levels of governance which are the members, the trustees and the executive team, together with the key leadership personnel and local governing bodies.

The academy trust has four members. The members determine the objects of the academy trust. The members also receive the annual report and financial statements. The members appoint trustees. The overriding role of the members is to oversee and hold the trustees to account.

The trustees determine the policies and ethos of the academy trust. They have an obligation to ensure high standards and hold the Local Governing Bodies to account for the performance of schools with the academy trust. The trustees ensure that sound and appropriate financial governance are in place, approve the academy trust budget and ensure high standards of probity in the management of public funds. The trustees approve the Annual report and Financial Statements.

The trustees appoint the CEO. The CEO is given delegated responsibility from trustees for the day to day operation and management of the academy trust. The CEO has overarching responsibility of the performance of the academy trust and its staff. The CEO is also named individually as the academy's trust Accounting Officer. The role of the CEO is supported by the Executive Team.

Reporting to the trustees, Local Governing Bodies are responsible for educational standards in their particular school. In their role in monitoring standards, they consider and approve self-evaluation of the school and oversee the school improvement plan.

The Local Governing Bodies of schools within the academy trust hold the key leadership personnel to account. In addition to monitoring the school performance, the Local Governing Body will identify a suitably skilled Governor to act as Safeguarding Governor, ensuring that safeguarding practice is in line with the academy trust's safeguarding policy.

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

The pay and remuneration of the academy's key leadership personnel are set against national leadership spine point scale, reflecting national pay awards. The key leadership personnel of schools in the academy trust have their performance appraisal carried out by the Headteacher. The Local Governing Bodies carry out appraisal of Headteachers and makes recommendations on pay to the Resources, Audit and Risk Committee. The Chair of trustees carries out the performance appraisal of the CEO with pay determined by the trustees.

#### Trade union facility time

There were no employees who were relevant union officials during this period.

#### Related parties and other connected charities and organisations

The academy trust works alongside various local authorities. The academy trust has no connected organisations but does work with local charities in pursuit of the activities defined by the objects of the academy trust.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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### Engagement with employees (including disabled persons)

The academy trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage.

The academy trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the academy trust continues. The academy trust policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to this for other employees.

The academy trust works with trade unions and professional associations across all our academies and engages in consultation, as required, to ensure that all aspects of the Charitable Company affecting its employees, including financial and economic factors, are discussed, conveyed and consulted on with them.

### Engagement with suppliers, customers and others in a business relationship with the trust

As this is the first year as a Multi-academy trust, we have maintained current business arrangements to allow the Trust to assess their needs and this will be reviewed in the coming year.

## **Objectives and activities**

### Objects and aims

The Academy Trust is responsible for the operation of four primary schools across Redcar and Cleveland Authority.

The Academy Trust aspires to ensure each of our schools delivers exceptional learning opportunities in their own way, but with shared values of learning, accountability, respect and integrity. Our strong support network ensures that although we serve children from a disadvantaged area, they have the same opportunities and support to succeed as those that enjoy more fortunate circumstances. We use creativity and innovation to broaden and deepen educational and social opportunities, so that our children leave us ready to succeed in the next phase of their educational journey and are prepared to participate fully in a modern workforce and a rapidly changing world. We prepare our children to make a positive impact on society, have an awareness of their place in the local community, and engage wholeheartedly in the world in which they live.

Each and every school is committed to creating a safe, happy, nurturing and inclusive environment; challenging everyone to foster a love of learning, curiosity, and belief in possibilities; and building a growth mindset so that we can all succeed, overcoming any barriers that might stand in our way.

We work hard to engage parents and carers and seek always to partner with them in educating their children throughout the whole educational journey.

Steel River ensures that strong collaboration, school to school support and the sharing of good practice is a key driver and is valued by all Trustees, leaders, teachers and staff within the Academy Trust. We work as a team to deliver the best possible education experiences for every pupil within the Academy Trust and to benefit the communities in which we serve.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Objectives, strategies and activities

The trusts objectives set for the reporting period include. We must be mindful that not all objectives were fully achieved. The onset of the global pandemic seriously affected the school year 2019-20 in ways that no one could have anticipated.

To align and establish the executive leadership across the trust.

- The trust developed the role of the executive leaders across the trust to enable collaboration, trust and delegated leadership.
- Trust and governance support looked develop the skills of the members and trustees within the trust.

As a new trust we wanted to ensure that our staff, pupils and families know that they belong to a wider community of schools and feel valued.

- The aim was to develop a Trust Council made up of children from across all schools.
- The trust created opportunities for subject leader and middle leadership networks to share best practice.
- The trust explored ideas and ways for children across the trust to engage with each other and work together. With sporting competitions and workshops being developed across the year.

To ensure positive outcomes for all pupils.

- Created an annual school improvement/review programme with external with external support and challenge.
- The identified and provided shared CPD opportunities around curriculum design and implementation.
- The trust established a common assessment framework with Trust wide moderation opportunities for all year groups.

#### Public benefit

The academy trust makes significant contribution by its teaching and other activities to the advancement of education for the public benefit for students aged 2 – 11 serving the catchment areas of Redcar and Cleveland on an open basis and set out in this report. Therefore, the trustees have complied with the duty under Section 4 of the Charity Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

## **Strategic report**

### **Achievements and performance**

#### **Attendance Data 2019-20**

Whale Hill Primary School – 96.8%  
Bankfields Primary School – 96.6%  
Grangetown Primary School - 96%  
Caedmon Primary School – 96%

Due to COVID –19, there is no progress or attainment data for the year 2019-20. Benchmarking will take place in October 2020 to determine children's starting points and to gain an accurate picture of progress and attainment for 2020-21.

Prior to lockdown in March 2020, Internal reviews took place to determine progress towards designing and developing the wider curriculum for each school. An action plan was put in place and all schools are working towards the specified targets with planned implementation by May 2021 when this becomes a statutory requirement.



# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### Key performance indicators

The Key Performance Indicators (KPI) are set out in 5 different areas.

Area 1	Outcomes	Completed annually
Area 2	School Improvement	Updated termly
Area 3	Leadership	Majority annual, some termly update
Area 4	Safeguarding	Updated termly
Area 5	Financial	Updated termly

KPI 1 - Outcomes		Data	Committee
1.1	EYFS - The percentage of pupils achieving a Good Level of Development		PSC
1.2	Year 1 PSC - The percentage of pupils meeting the standard		PSC
1.3	KS1 percentage of pupils meeting the standard required in Reading		PSC
1.4	KS1 percentage of pupils meeting the standard required in Writing		PSC
1.5	KS1 percentage of pupils meeting the standard required in Maths		PSC
1.6	KS2 percentage of pupils meeting the standard required in Reading Writing and Maths combined		PSC
1.7	KS2 percentage of pupils meeting the standard required in Reading		PSC
1.8	KS2 percentage of pupils meeting the standard required in Writing		PSC
1.9	KS2 percentage of pupils meeting the standard required in Maths		PSC
1.10	KS1- KS2 Progress score in reading		PSC
1.11	KS1- KS2 Progress score in writing		PSC
1.12	KS1- KS2 Progress score in maths		PSC
1.13	KS1- KS2 Progress of SEND pupils		PSC
1.14	Attainment and progress of disadvantaged pupils		PSC

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

KPI 2 - School Improvement		Data	Committee
2.1	Each academy judged as Good or Outstanding by Ofsted		PSC
2.2	Each academy judged as Good or Outstanding in SEF. (This has been agreed with LGB)		PSC
2.3	The quality of education is of a consistently good standard		PSC
2.4	The curriculum is ambitious, knowledge and skills are coherently planned and sequenced, meet the needs of all pupils, including those with SEND and disadvantaged in ALL subjects.		PSC
2.5	Teachers have sound subject knowledge, check pupils' understanding systematically, create an environment that focuses on pupils and plan teaching to help pupils remember long-term the content they have been taught.		PSC
2.6	Pupils are taught the essential knowledge they need to be educated citizens, introducing them to the best that has been thought and said and helps to engender an appreciation of human creativity and achievement.		PSC
2.7	Assessment is used well to help pupils embed and use knowledge fluently, informs teaching, identifies misconceptions and provides clear direct feedback.		PSC
2.8	Pupils gain phonetic knowledge rapidly, developing pupils' confidence, fluency and enjoyment in reading.		PSC
2.9	An external review, alongside a peer review, has been undertaken within the last 12 months within the Academy		PSC
2.10	Every Subject Leader has had appropriate professional development opportunities.		PSC
2.11	Every Class Teacher has had appropriate support and training to develop their subject expertise and pedagogical knowledge.		PSC
2.12	The required information regarding Pupil Premium impact and planning has been published on the website.		LGB
2.13	The required information regarding Sport Premium impact and planning has been published on the website.		LGB

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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KPI 3 - Leadership		Data	Committee
3.0	Trust Board members and LGB governors clearly understand their individual roles and responsibilities and are effective in their challenge and support		TB
3.1	External Report on HT Performance Management shared with Trust Board and LGB		TB
3.2	Leadership is at least good in the Academy as judged by Ofsted		TB
3.3	Leadership is at least good in the Academy as judged by external validation		TB
3.4	Trust Board is effective and have gone through a full review to determine this.		TB
3.5	Local Governing Board of each Academy is effective and have gone through a full annual review to determine this		TB

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>KPI 4 - Safeguarding</b>		<b>Data</b>	<b>Committee</b>
4.0	Have all schools had Fire Drill has been successfully completed within the last 2 months and any necessary actions followed up		TB
4.1	Have all schools had Lockdown Drill has been successfully completed within the last 6 months and any necessary actions followed up		TB
4.2	Attendance is at least 96%		TB
4.3	An external review of safeguarding has taken place, with the report shared with the Trust Board.		TB
4.4	An annual internal review of safeguarding has taken place, with RAG rated actions shared with the Trust Board.		TB
4.5	All staff, trustees and governors have undertaken training relevant to their role, as planned and directed by the Safeguarding Consultation Panel.		TB
4.6	An annual, external Health and Safety audit has been completed, with follow-up actions completed.		TB
4.7	Reviews of SEND provision are being undertaken on an at least termly basis		TB
4.8	Safeguarding Team meetings take place formally in each academy once per half-term, with documented minutes.		TB
4.9	Total Number of near misses in previous term reported to H&S		TB
4.10	Number of RIDDOR and H and S incidents in preceding term are reported to CEO		TB
4.11	The Trust Policy for Educational Visit Management has been followed		TB
<b>KPI 5 - Finance</b>		<b>Data</b>	<b>Committee</b>
5.1	Total Staff Costs	(£)	RAR
5.2	Total Staff Costs to EFA Revenue Income	(%)	RAR
5.3	Total Staff Costs to Total Income	(%)	RAR
5.4	Total Staff Costs as Proportion of Total Expense	(%)	RAR
5.5	FTE Teaching Staff		RAR
5.6	FTE Support Staff		RAR
5.7	Total FTE		RAR
5.8	Total Pupil Numbers by Lagged Pupil Numbers		RAR
5.9	Pupil/Teacher Ratio as per Lagged Pupil Numbers		RAR
5.10	Average Teacher Cost	£	RAR
5.11	Proportion of budget spent on the Leadership Team	%	RAR
5.12	Spend per pupil for non-pay expenditure lines	£	

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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**

The financial results of Steel River Academy Trust are detailed in the following pages. It is considered that finances are sound. The principal financial management policies adopted are laid down in the Academies Financial Handbook published by the ESFA.

The principal funding source is GAG income from the ESFA. All expenditures of the GAG income are planned to fulfil the objectives and strategies of the trust.

During the year ended 31st August 2020 the trust had a total income of £8,233,405 over the four schools, excluding transfers in and capital income. Total resources expended were £7,753,387, excluding depreciation and LGPS expenditure, leading to NET income being £480,018.

At the 31st August 2020 the NET book Value of the fixed assets was £6,606,547. The assets were used exclusively for providing education and associated support services to the pupils of Steel River Academy Trust.

### Reserves policy

The academy trust is only in its first year, so has not built up any centrally held reserves for this reporting period. There is a policy in place and the trustees will review the reserve levels of each academy annually. Our long-term aim, which we consider prudent, is to reserve 4% of SRATs GAG funding over the next 4 years (approximately £242,141.84 in terms of current GAG income). This will be treated as follows:

2020 – 2021: Planned £60,535.46 (approx. 1%) end of year reserve. This will enable current staffing levels to continue.

2021 – 2022: Planned £121,070.92 (approx. 2%) end of year reserve.

2022 – 2023: Planned £181,606.38 (approx. 3%) end of year reserve.

2023 – 2024: Planned £242,141.84 (approx. 4%) end of year reserve.

The reason for this is to provide sufficient working capital to cover any delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Trustees will monitor the level of reserves of the trust throughout the year.

### Investment policy

The academy trust is only in its first year, an Investment Policy has not produced as yet but this will be produced in its second year. All academy funds are being held in a bank current account.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### Principal risks and uncertainties

The principal risks and uncertainties facing the academy trust are recorded and monitored on an operational basis in each school's operational risk register which link into the academy trust's overall strategic risk register.

The trustees have assessed the major risks to which SRAT is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust and its finances. The key risks have been determined as:

#### **The Risks to the Trust are divided into five sections:**

- Strategic and Reputational Risks
- Financial Risks
- Compliance Risks
- Operational Risks
- Safeguarding
- Risks specific to academy conversion

The trustees have implemented a number of systems to assess risk especially in operational areas and in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (vetting of new staff and visitors) and internal financial controls. The risk register is discussed at all board and committee meetings so that all trustees are aware of risk and how it is contained.

#### **Fundraising**

Each member academy undertakes fundraising events. The work does not involve the use of any commercial participators or professional fundraisers. The academy trust adheres to all necessary legislation. Funds raised are monitored as part of the monthly management account process as well as by each individual school. No complaints have been received in year. All practices are compliant with Charity Commission guidance. Due to COVID 19 schools have been unable to run any fundraising events since March 2020. This has had minimal impact on academy finances.

#### **Plans for future periods**

As a recently established Multi-Academy Trust (established September 2019) Steel River Academy Trust are committed to improving the educational outcomes for all children

The Trustees and CEO will primarily be focusing on issues that arose during the first year with regards to policies, procedures and outcomes from audits. These will be addressed in a timely manner and measures put in place to strengthen leadership and governance (see Trust Development Plan)

Additionally, priorities for 2020 will be focused on ensuring that school improvement is at the heart of the Academy Trust. Current priorities include:

- Strengthening of the Trust's Governance and Leadership
- Ensuring all Trust policies are reviewed and implemented
- Ensure an effective offer of remote learning is in place for all schools across the Trust
- Develop current practice and staff skills in ensuring positive mental health and wellbeing in all children across the Trust
- Ensuring an effective recovery curriculum is in place to ensure children catch up on lost learning and make accelerated progress

#### **Funding Bids**

Bankfields school is currently at the final stage of submitting a bid on behalf of the Trust to develop early language for all children across our early year's settings, ensuring that they are 'school ready'. The bid aims to raise around £70,000 for a 3-year project to develop language and communication through stories, rhymes and outreach for parents and members of the community.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on *26/01/21*..... and signed on its behalf by:



.....  
S J Powell

**Chair**

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Steel River 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 11 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
A H Duncan	10	11
P Jackson	7	11
A K Mackenzie	10	11
S J Powell (Chair)	10	11
A Ryalls	10	11
J M Sinclair	9	11
J A Wilkinson	8	11
D J Flounders (Resigned 8 July 2020)	4	10
K E Race (Resigned 31 March 2020)	9	9
J Savage (Resigned 1 September 2019)	2	2
K McDonald (Appointed 25 September 2020)		
L Misaljevich (Appointed 25 September 2020)		
M A Williamson (Appointed 5 October 2020)		

### Governance Review

There was no governance review undertaken in the year ending 31st August 2020. This is due to both COVID 19 and the untimely serious illness of the governance clerk. Both the Trust Board and Local Governing Board will undertake a skills audit and full review in the coming year.



# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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

Its purpose is to:

The Finance Audit and Risk Committee has been established to take a strategic overview of the academy trust's finances and resources, including establishing staffing structures, budget setting, financial reporting and the monitoring of internal controls and accountability policies. It will ensure the financial stability of individual academies and the academy trust. The committee is responsible for recommending financial policies, goals, and budgets that support the mission, values and strategic goals of the trust. The committee also reviews the trust's financial performance against its goals and proposes major transactions and initiatives to the board of trustees.

The principal priorities of the Finance, Audit and Risk Committee include being responsible for:

- Budget setting and financial management of the Academy, including any subsidiary or connected undertakings
- Audit and statutory financial submissions
- Monitoring implements of performance management processes
- Staffing – including pay policy, cost and deployment
- Health & Safety matters
- Relevant policies

Julie Wilkinson is a qualified accountant.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
S J Powell (Chair)	1	1
J M Sinclair	2	2
J A Wilkinson	2	2
K E Race (Resigned 31 March 2020)	1	1

The **performance and standards committee** is also a sub-committee of the main board of trustees. Its purpose is to:

The purpose of the Performance and Standards Committee is to ensure that the trustees have up to date and accurate knowledge (including both internal and external data) to make informed strategic decisions about the quality of provision in terms of academic attainment and progress and personal development, behaviour and welfare. This understanding will enable them to challenge senior leaders and staff with relevant responsibilities in these areas. The principal priorities of the committee include being responsible for:

- curriculum and results analysis
- quality of teaching and learning and impact on academic progress
- safeguarding
- special educational needs
- closing the Gap/ PPG
- pastoral quality assurance process and outcomes
- SMCS and British Values
- stakeholder relationships
- all associated statutory policies

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A H Duncan	1	1
P Jackson	1	1
A Ryalls	1	1

### Review of value for money

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

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

- implementation of an accounting and budgeting support software across the academy trust
- review of contracts to take advantage of the enlarged academy trust to obtain discounts for economies of scale
- working closely with the Headteachers of each school to ensure that once positions become vacant, there is an appropriate level of scrutiny to determine best value in finding a replacement post
- looking at the impact of COVID 19 working with headteachers from each school to plan for unforeseen costs due to COVID for example extra cleaning, purchasing of PPE etc.
- the CFO worked with each to support with claims from the DfE when reclaiming unforeseen expenditures for food vouchers.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Steel River Academy Trust for the year ended 31st August 2020 and up to the date of approval of the annual report and financial statements.

### Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### **The risk and control framework**

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

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

The board of trustees have employed Azets Audit Services as external auditors appointed to do extra checks. The extra checks included giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income
- testing of fixed assets
- management of data
- corporate governance and regularity

We had two visits during the year, one in the spring term of 2020 and one in the summer term of 2020. The spring term highlighted 10 low, 4 medium and 1 high risk matter. The high-risk matter is reported in the statement of regularity below.

The summer term highlighted 1 medium and 8 low risk matters.

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

The Trust is in the process of appointing a new internal scrutiny provider to ensure compliance with the new ethical standards.

#### **Review of effectiveness**

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

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

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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

Approved by order of the board of trustees on *26/01/21* and signed on its behalf by:



S J Powell  
Chair



Mr J Murgatroyd  
Interim Accounting Officer

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2020**

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As interim accounting officer of Steel River Academy Trust since November 2019, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

**Financial issues:**

- Following the conversion to academy status, executive pay was determined without the input of trustees and did not fully follow the requirements of 2.30 and 2.31 of the Academies Financial Handbook 2019. Trustees have taken steps to address this and appropriate processes have now been put in place.



**Interim Accounting Officer**

Mr J Murgatroyd

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The trustees (who are also the directors of Steel River Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 26/01/21 and signed on its behalf by:

S J Powell  
Chair



# STEEL RIVER ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL RIVER ACADEMY TRUST

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# STEEL RIVER ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL RIVER ACADEMY TRUST (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2020*

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# STEEL RIVER ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL RIVER ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### Use of our report

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



**Angela Ingham FCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Statutory Auditor**

26/1/2021

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB

# **STEEL RIVER ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STEEL RIVER ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Steel River Academy Trust during the period 1 September 2019 to 31 August 2020 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 Steel River Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Steel River 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 Steel River Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Steel River Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Steel River Academy Trust's funding agreement with the Secretary of State for Education dated 27 August 2019 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

# STEEL RIVER ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STEEL RIVER ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Audit reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As referred to in the accounting officer's statement, the trust did not fully comply with the requirements of 2.30 and 2.31 of the Academies Financial Handbook 2019 when setting executive pay after conversion to academy status.

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: 26/1/2021

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	24,367	-	47,281	71,648	-
Donations - transfer from local authority on conversion	25	1,053,903	(2,444,000)	6,583,399	5,193,302	-
Charitable activities:						
- Funding for educational operations	4	63,041	8,061,793	-	8,124,834	-
Other trading activities	5	82,876	-	-	82,876	-
Investments	6	1,328	-	-	1,328	-
<b>Total</b>		<b>1,225,515</b>	<b>5,617,793</b>	<b>6,630,680</b>	<b>13,473,988</b>	<b>-</b>
<b>Expenditure on:</b>						
Raising funds	7	68,353	-	-	68,353	-
Charitable activities:						
- Educational operations	9	105,776	7,906,258	216,780	8,228,814	-
<b>Total</b>	<b>7</b>	<b>174,129</b>	<b>7,906,258</b>	<b>216,780</b>	<b>8,297,167</b>	<b>-</b>
<b>Net income/(expenditure)</b>		<b>1,051,386</b>	<b>(2,288,465)</b>	<b>6,413,900</b>	<b>5,176,821</b>	<b>-</b>
Transfers between funds	17	(161,956)	(30,691)	192,647	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	19	-	(835,000)	-	(835,000)	-
<b>Net movement in funds</b>		<b>889,430</b>	<b>(3,154,156)</b>	<b>6,606,547</b>	<b>4,341,821</b>	<b>-</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		-	-	-	-	-
Total funds carried forward		<b>889,430</b>	<b>(3,154,156)</b>	<b>6,606,547</b>	<b>4,341,821</b>	<b>-</b>

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

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Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2019
		£	£	£	£
Income and endowments from:					
Charitable activities:					
		—	—	—	—
<b>Total</b>		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Expenditure on:					
Charitable activities:					
		—	—	—	—
<b>Total</b>	<b>7</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net income</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		—	—	—	—
		—	—	—	—
Total funds carried forward		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

# STEEL RIVER ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		6,606,547		-
<b>Current assets</b>					
Debtors	14	365,571		-	
Cash at bank and in hand		1,266,335		-	
		<u>1,631,906</u>		<u>-</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(290,632)		-	
		<u></u>		<u></u>	
<b>Net current assets</b>			1,341,274		-
<b>Net assets excluding pension liability</b>			<u>7,947,821</u>		-
Defined benefit pension scheme liability	19		(3,606,000)		-
			<u></u>		<u></u>
<b>Total net assets</b>			<u>4,341,821</u>		<u>-</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			6,606,547		-
- Restricted income funds			451,844		-
- Pension reserve			(3,606,000)		-
			<u>3,452,391</u>		<u>-</u>
<b>Total restricted funds</b>			<u>3,452,391</u>		<u>-</u>
<b>Unrestricted income funds</b>	17		889,430		-
			<u>889,430</u>		<u>-</u>
<b>Total funds</b>			<u>4,341,821</u>		<u>-</u>

The accounts on pages 26 to 49 were approved by the trustees and authorised for issue on 26/01/21 and are signed on their behalf by:



S J Powell  
Chair

Company Number 12109048

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20	403,751		-	-
Cash funds transferred on conversion		1,053,903		-	-
		<u>1,457,654</u>			-
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1,328		-	-
Capital grants from DfE Group		32,281		-	-
Capital funding received from sponsors and others		15,000		-	-
Purchase of tangible fixed assets		(239,928)		-	-
		<u>(191,319)</u>			-
<b>Net cash used in investing activities</b>			<u>(191,319)</u>		-
<b>Net increase in cash and cash equivalents in the reporting period</b>			1,266,335		-
Cash and cash equivalents at beginning of the year			-		-
<b>Cash and cash equivalents at end of the year</b>			<u>1,266,335</u>		-

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the individual schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Freehold Land & buildings have been valued by Redcar & Cleveland Borough Council based on current RICS & CIPFA valuation standards and specifically depreciated rebuilding costs as per current BCIS (Building cost Information). Other fixed assets were valued based on depreciated value. Further details of the transaction are set out in note 25.

##### 1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

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

#### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 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.

### 1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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 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.

### 1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

### 1.9 Financial instruments

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

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.10 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 chapter 3 part 11 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.

#### 1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 Fund accounting

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

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

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

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 2 Critical accounting estimates and areas of judgement

Accounting 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 19, 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 2020. 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.

##### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

##### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	32,281	32,281	-
Other donations	24,367	15,000	39,367	-
	<u>24,367</u>	<u>47,281</u>	<u>71,648</u>	<u>-</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,828,523	5,828,523	-
Other DfE group grants	-	1,425,744	1,425,744	-
	-	7,254,267	7,254,267	-
<b>Other government grants</b>				
Local authority grants	-	780,793	780,793	-
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	20,958	20,958	-
<b>Other funding</b>				
Catering income	43,129	-	43,129	-
Other incoming resources	19,912	5,775	25,687	-
	63,041	5,775	68,816	-
<b>Total funding</b>	63,041	8,061,793	8,124,834	-

Other DfE group grants includes the following:

	Total £
Pupil Premium	1,011,275
Universal Free School Meals	43,681
PE & Sports Grant	75,290
Teachers Pay Grant	202,657
Teachers Pension Grant	71,721
FSM Supplementary Grant	21,120
	1,425,744

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "coronavirus exceptional support". The funding received covers additional costs in relation to cleaning and catering. These costs are included in notes 7 and 9 as appropriate.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5	Other trading activities		Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Hire of facilities		18,355	-	18,355	-	
	Catering income		562	-	562	-	
	Parental contributions		10,667	-	10,667	-	
	Other income		53,292	-	53,292	-	
			<u>82,876</u>	<u>-</u>	<u>82,876</u>	<u>-</u>	
6	Investment income		Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Short term deposits		1,328	-	1,328	-	
			<u>1,328</u>	<u>-</u>	<u>1,328</u>	<u>-</u>	
7	Expenditure		Staff costs £	Non-pay expenditure Premises      Other £                      £		Total 2020 £	Total 2019 £
	Expenditure on raising funds						
	- Direct costs		40,442	-	27,911	68,353	-
	Academy's educational operations						
	- Direct costs		5,487,712	-	383,131	5,870,843	-
	- Allocated support costs		1,052,122	764,307	541,542	2,357,971	-
			<u>6,580,276</u>	<u>764,307</u>	<u>952,584</u>	<u>8,297,167</u>	<u>-</u>
	<b>Net income/(expenditure) for the year includes:</b>					<b>2020</b>	<b>2019</b>
						£	£
	Fees payable to auditor for:						
	- Audit					7,400	-
	- Other services					7,200	-
	Operating lease rentals					35,097	-
	Depreciation of tangible fixed assets					216,780	-
	Net interest on defined benefit pension liability					45,000	-
						<u>45,000</u>	<u>-</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services; or
- others as arising.

During the year ended 31 August 2020 the academy trust did not charge fees for the services provided but will charge 2% of GAG income from 1 September 2020.

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	31,433	5,839,410	5,870,843	-
<b>Support costs</b>				
Educational operations	74,343	2,283,628	2,357,971	-
	<u>105,776</u>	<u>8,123,038</u>	<u>8,228,814</u>	<u>-</u>
			<b>2020</b>	<b>2019</b>
			£	£
<b>Analysis of support costs</b>				
Support staff costs			1,053,208	-
Depreciation			216,780	-
Premises costs			547,527	-
Legal costs			21,438	-
Other support costs			504,418	-
Governance costs			14,600	-
			<u>2,357,971</u>	<u>-</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,847,852	-
Social security costs	423,880	-
Pension costs	1,261,823	-
Staff costs - employees	6,533,555	-
Agency staff costs	27,807	-
Staff restructuring costs	18,914	-
	6,580,276	-
Staff development and other staff costs	29,319	-
Total staff expenditure	6,609,595	-
Staff restructuring costs comprise:		
Redundancy payments	18,914	-

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,024 (2019: £nil). Individually, the payments were: £2,024.

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	74	-
Administration and support	129	-
Management	18	-
	221	-

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001-£70,000	3	-
£70,001-£80,000	1	-



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £518,483 (2019: £nil).

### 11 Trustees' remuneration and expenses

None of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust.

### 12 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £182 (2019: £nil). The cost of this insurance is included in the total insurance cost.

### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2019	-	-	-	-
Transfer on conversion	6,288,161	118,390	176,848	6,583,399
Additions	114,324	25,684	99,920	239,928
At 31 August 2020	6,402,485	144,074	276,768	6,823,327
<b>Depreciation</b>				
At 1 September 2019	-	-	-	-
Charge for the year	125,103	42,761	48,916	216,780
At 31 August 2020	125,103	42,761	48,916	216,780
<b>Net book value</b>				
At 31 August 2020	6,277,382	101,313	227,852	6,606,547
At 31 August 2019	-	-	-	-

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>14 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	640	-
VAT recoverable	29,811	-
Other debtors	4,000	-
Prepayments and accrued income	331,120	-
	<u>365,571</u>	<u>-</u>
	<u><u>365,571</u></u>	<u><u>-</u></u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	35,793	-
Other taxation and social security	98,370	-
Accruals and deferred income	156,469	-
	<u>290,632</u>	<u>-</u>
	<u><u>290,632</u></u>	<u><u>-</u></u>
<b>16 Deferred income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>84,216</u>	<u>-</u>
	<u><u>84,216</u></u>	<u><u>-</u></u>
Deferred income at 1 September 2019	-	-
Resources deferred in the year	<u>84,216</u>	<u>-</u>
	<u><u>84,216</u></u>	<u><u>-</u></u>
<b>Deferred income at 31 August 2020</b>	<u><u>84,216</u></u>	<u><u>-</u></u>

Deferred income comprises Rates Relief and Universal Infants' Free School Meals for the 2020-2021 academic year received in advance.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,828,523	(5,348,662)	(30,691)	449,170
Other DfE / ESFA grants	-	1,425,744	(1,425,744)	-	-
Other government grants	-	801,751	(799,077)	-	2,674
Other restricted funds	-	5,775	(5,775)	-	-
Pension reserve	-	(2,444,000)	(327,000)	(835,000)	(3,606,000)
	-	5,617,793	(7,906,258)	(865,691)	(3,154,156)
<b>Restricted fixed asset funds</b>					
Inherited on conversion	-	6,583,399	(198,604)	-	6,384,795
DfE group capital grants	-	32,281	(1,437)	-	30,844
Capital expenditure from GAG & unrestricted funds	-	-	(14,489)	192,647	178,158
Private sector capital sponsorship	-	15,000	(2,250)	-	12,750
	-	6,630,680	(216,780)	192,647	6,606,547
<b>Total restricted funds</b>	-	12,248,473	(8,123,038)	(673,044)	3,452,391
<b>Unrestricted funds</b>					
General funds	-	1,225,515	(174,129)	(161,956)	889,430
<b>Total funds</b>	-	13,473,988	(8,297,167)	(835,000)	4,341,821

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants include teachers' pay grant, teachers' pension grant, universal free school meals income, PE grant, and pupil premium grant received.

Other government grants include income for pupils with special educational needs, early years funding, coronavirus exceptional support funding and pupil premium received from the local authority.

DfE/ESFA Capital Grants consists of the devolved capital grant which has been spent on asset additions in the year.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund.

At 31 August 2020 the academy had restricted general and unrestricted funds of £1,341,274.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

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

The academy trust did not trade in the previous year.

#### Total funds analysis by academy

	2020	2019
	£	£
Fund balances at 31 August 2020 were allocated as follows:		
Bankfields Primary School	143,611	-
Whale Hill Primary School	446,555	-
Grangetown Primary School	493,287	-
Caedmon Primary School	242,404	-
Central services	15,417	-
	<u>1,341,274</u>	<u>-</u>
Total before fixed assets fund and pension reserve	1,341,274	-
Restricted fixed asset fund	6,606,547	-
Pension reserve	(3,606,000)	-
	<u>4,341,821</u>	<u>-</u>
Total funds	<u>4,341,821</u>	<u>-</u>

#### Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£	£	£	£	£	£
Bankfields Primary School	1,036,085	154,898	75,773	242,596	1,509,352	-
Whale Hill Primary School	1,988,210	251,030	144,582	299,513	2,683,335	-
Grangetown Primary School	1,281,240	154,216	79,828	270,962	1,786,246	-
Caedmon Primary School	1,148,741	198,830	54,661	246,619	1,648,851	-
Central services	73,877	11,149	54	40,523	125,603	-
	<u>5,528,153</u>	<u>770,123</u>	<u>354,898</u>	<u>1,100,213</u>	<u>7,753,387</u>	<u>-</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	6,606,547	6,606,547
Current assets	889,430	742,476	-	1,631,906
Creditors falling due within one year	-	(290,632)	-	(290,632)
Defined benefit pension liability	-	(3,606,000)	-	(3,606,000)
<b>Total net assets</b>	<b>889,430</b>	<b>(3,154,156)</b>	<b>6,606,547</b>	<b>4,341,821</b>
<b>Fund balances at 31 August 2019 are represented by:</b>				
<b>Total net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £767,293 (2019: £nil).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% for employers and 5.5 - 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. 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.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations (Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	214,000	-
Employees' contributions	70,000	-
	<u>284,000</u>	<u>-</u>
<b>Total contributions</b>	<b>284,000</b>	<b>-</b>
	<u>284,000</u>	<u>-</u>
<b>Principal actuarial assumptions</b>	<b>2020 %</b>	<b>2019 %</b>
Rate of increase in salaries	3.3	-
Rate of increase for pensions in payment/inflation	2.3	-
Discount rate for scheme liabilities	1.7	-
Inflation assumption (CPI)	2.3	-
	<u>2.3</u>	<u>-</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	-
- Females	23.5	-
Retiring in 20 years		
- Males	23.2	-
- Females	25.3	-
	<u>25.3</u>	<u>-</u>

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

	2020	2019
Discount rate + 0.1%	6,575,000	-
Discount rate - 0.1%	6,871,000	-
Mortality assumption + 1 year	6,481,000	-
Mortality assumption - 1 year	6,972,000	-
CPI rate + 0.1%	6,837,000	-
CPI rate - 0.1%	6,609,000	-
	<u>6,609,000</u>	<u>-</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

#### The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	2,368,920	-
Cash	361,572	-
Property	249,360	-
Other assets	137,148	-
Total market value of assets	3,117,000	-

The actual return on scheme assets was £(23,000) (2019: £-).

#### Amount recognised in the Statement of Financial Activities

	2020 £	2019 £
Current service cost	496,000	-
Interest income	(57,000)	-
Interest cost	102,000	-
Total operating charge	541,000	-

#### Changes in the present value of defined benefit obligations

	2020 £
Obligations acquired on conversion	5,327,000
Current service cost	496,000
Interest cost	102,000
Employee contributions	70,000
Actuarial loss	755,000
Benefits paid	(27,000)
At 31 August 2020	6,723,000



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>19 Pension and similar obligations</b>	<b>(Continued)</b>		
<b>Changes in the fair value of the academy trust's share of scheme assets</b>			
		<b>2020</b>	
		<b>£</b>	
Assets acquired on conversion		2,883,000	
Interest income		57,000	
Actuarial loss		(80,000)	
Employer contributions		214,000	
Employee contributions		70,000	
Benefits paid		(27,000)	
		<u>3,117,000</u>	
At 31 August 2020		<u>3,117,000</u>	
<b>20 Reconciliation of net income to net cash flow from operating activities</b>	<b>2020</b>	<b>2019</b>	
	<b>£</b>	<b>£</b>	
Net income for the reporting period (as per the statement of financial activities)	5,176,821	-	
Adjusted for:			
Net surplus on conversion to academy	(5,193,302)	-	
Capital grants from DfE and other capital income	(47,281)	-	
Investment income receivable	(1,328)	-	
Defined benefit pension costs less contributions payable	282,000	-	
Defined benefit pension scheme finance cost	45,000	-	
Depreciation of tangible fixed assets	216,780	-	
(Increase) in debtors	(365,571)	-	
Increase in creditors	290,632	-	
	<u>403,751</u>	<u>-</u>	
<b>Net cash provided by operating activities</b>	<u>403,751</u>	<u>-</u>	
<b>21 Analysis of changes in net funds</b>	<b>1 September</b>	<b>Cash flows</b>	<b>31 August</b>
	<b>2019</b>		<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	-	1,266,335	1,266,335
	<u>-</u>	<u>1,266,335</u>	<u>1,266,335</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	20,668	-
Amounts due in two and five years	22,195	-
	<u>42,863</u>	<u>-</u>

#### 23 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 Academies Financial Handbook 2019, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Mrs P Petrie, wife of Mr M Petrie (Member of the Trust Board), is employed by the trust as Headteacher at Bankfields Primary school. Mrs Petrie's appointment pre-dated Mr Petrie becoming a Member of the Trust Board. Mrs Petrie was appointed in open competition through a competitive interview process by a recruitment panel. Mrs Petrie is paid in line with the standard national pay scale and has received no special treatment as a result of her relationship to a member.

#### 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 25 Conversion to an academy

On 1 September 2019 the individual schools (see below) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Steel River Academy Trust from the Teesside Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion
Bankfields Primary School	Middlesbrough	1 September 2019
Whale Hill Primary School	Middlesbrough	1 September 2019
Grangetown Primary School	Middlesbrough	1 September 2019
Caedmon Primary School	Middlesbrough	1 September 2019

	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Net assets transferred:		£	£	
Freehold land and buildings	-	-	6,288,161	6,288,161
Other tangible fixed assets	-	-	295,238	295,238
Cash	1,053,903	-	-	1,053,903
Pension scheme deficit	-	(2,444,000)	-	(2,444,000)
	<u>1,053,903</u>	<u>(2,444,000)</u>	<u>6,583,399</u>	<u>5,193,302</u>

	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:		£	£	
Fixed assets funds	-	-	6,583,399	6,583,399
LA budget funds	1,053,903	-	-	1,053,903
LGPS pension funds	-	(2,444,000)	-	(2,444,000)
	<u>1,053,903</u>	<u>(2,444,000)</u>	<u>6,583,399</u>	<u>5,193,302</u>