

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 2021**

# STEEL RIVER ACADEMY TRUST

## CONTENTS

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	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the accounts	20 - 23
Independent reporting accountant's report on regularity	24 - 25
Statement of financial activities including income and expenditure account	26 - 27
Balance sheet	28
Statement of cash flows	29
Notes to the accounts including accounting policies	30 - 51

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# STEEL RIVER ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Julian Blakeley (Resigned 10 October 2021)  
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  
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)
- Co CEO/Grangetown Headteacher	Jason Murgatroyd (Appointed 1 November 2020)
- Co CEO/Bankfields Headteacher	Patricia Petrie
- School Improvement Lead/Whale Hill Headteacher	Melanie Mellor (Resigned 31 August 2021)
- Safeguarding Lead/Whale Hill Headteacher	Sandra Marsden
- Caedmon Headteacher	Sarah Hill
- CFO	Cathy Fidgeon (Resigned 31 October 2020)
- CFO	Kathryn Stevenson (Appointed 31 October 2020)

### Company secretary

K Stevenson

### Company registration number

12109048 (England and Wales)

### Registered office

c/o Grangetown Primary School  
St George Road  
Middlesbrough  
TS6 7JA

### Academies operated

Bankfields Primary School  
Whale Hill Primary School

### Location

Middlesbrough  
Middlesbrough

### Principal

Patricia Petrie  
Melanie Mellor & Sandra Marsden  
Jason Murgatroyd  
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 United Kingdom
<b>Bankers</b>	Lloyds Bank plc Lloyds 83 Linthorpe Road Middlesbrough TS1 5BU United Kingdom
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF United Kingdom

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 2021. 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 1473 in the school census on January 2021.

#### **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.

##### 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 three 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.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 Co CEOs. The Co CEOs are given delegated responsibility from trustees for the day to day operation and management of the academy trust. The Co CEOs has overarching responsibility of the performance of the academy trust and its staff. One Co CEO is also named individually as the academy's trust Accounting Officer. The role of the Co CEOs 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 Co CEOs 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.

#### 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.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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.

#### 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 global pandemic seriously affected the school year 2020-21 in ways that no one could have anticipated.

To align and establish the executive leadership across the trust.

- The trust developed the role of Co CEOs to ensure cohesive and shared leadership across the trust
- To develop a trust wide school improve team involving current trust staff, to provide the quality CPD and give the opportunity to get into schools.
- 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.

- To ensure a continuous programme of support for the well-being of all stakeholders is in place and becoming embedded across the school.
- The trust created opportunities for subject leader and middle leadership networks to share best practice.
- To create more opportunities for children across the trust to work together on projects and within sporting contexts.

To ensure positive outcomes for all pupils.

- To create a robust recovery plan for all pupils and ensure it is in place across all schools
- To develop effective aspirations and careers curriculum across the trust to wider the experiences of the children and begin to develop relevant skills.
- To develop and implement a wider curriculum across the trust that meets the needs of all children across the trust.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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 2020-2021**

Whale Hill Primary School – 96.8%  
Bankfields Primary School – 95.9%  
Grangetown Primary School - 95.5%  
Caedmon Primary School – 95.6%

Due to COVID –19, there is no formal progress or attainment data for the year 2020-21. However, during this period schools have continued with their internal assessments and monitoring and have responded accordingly. A comprehensive remote learning package was put in place during lockdown which emulated the school day as much as possible. A full curriculum was offered to all children which included teacher input, feedback on learning and opportunities to edit and improve. Weekly contact was made with parents and children to discuss issues and offer support. Internal assessments show that those children who actively engaged in remote learning were not significantly impacted by lockdown. However, those who did not engage in remote learning have significant gaps in their learning.

End of year informal assessments were carried out to determine the impact of COVID, identify those children who are at risk of underachieving due to lost learning, and to plan effective recovery work. As a result, the curriculum has been adapted to reflect issues raised and robust catch up provision has been put in place for 2021-22 which includes a Trust Professional Development day on an 'effective recovery curriculum'.

The data generated has helped the Trust to draw comparisons with schools within the Trust as well as other schools and Academy Trusts across the North East, giving us a clear picture of strengths and weaknesses and identifying key improvement priorities for 2021-22

Schools have all identified early reading as an area of concern and as a result, all schools have adopted an approved phonics programme and invested heavily in staff CPD and resources to enhance the provision of early reading.

During lockdown, staff continued to work together on the design of the wider curriculum and to ensure the curriculum intent was bespoke to the individual needs of each school and expectations were raised in achieving high outcomes for all pupils. Schools are now ready to fully implement their wider curriculum subjects and reviews have been arranged for the autumn term to establish the quality of education in each school.

#### 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



# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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
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

## STEEL RIVER ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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
<b>KPI 3 - Leadership</b>		<b>Data</b>	<b>Committee</b>
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
<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

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 in preceding term		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	(£)	FAR
5.2	Total Staff Costs to EFA Revenue Income	(%)	FAR
5.3	Total Staff Costs to Total Income	(%)	FAR
5.4	Total Staff Costs as Proportion of Total Expense	(%)	FAR
5.5	FTE Teaching Staff		FAR
5.6	FTE Support Staff		FAR
5.7	Total FTE		FAR
5.8	Total Pupil Numbers by Lagged Pupil Numbers		FAR
5.9	Pupil/Teacher Ratio as per Lagged Pupil Numbers		FAR
5.10	Average Teacher Cost	£	FAR
5.11	Proportion of budget spent on the Leadership Team	%	FAR
5.12	Spend per pupil for non-pay expenditure lines	£	

### 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.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trust accounts show a significant increase in cash balances during the second full year for the trust. The trustees and school leadership team have reviewed revenue and capital expenditure across the schools. Each school has a Premises Development Plan to inform future CIF bids, value for money procurement exercises, and to ensure properties are well maintained to provide a suitable learning environment for pupils. The KPIs are reviewed monthly and the Schools Resource Management Self-Assessment Tool has been used to inform school staffing and resource management plans.

Schools have invested in building improvements and computer equipment, in addition to donated iPad and tablets, to improve provision in the classroom and the remote learning offer is established.

Underspends during this academic year due to school closures during Covid lockdown include catering costs, contributions to school trips to support pupil premium pupils and external sports activities such as swimming. It is anticipated additional costs will be incurred in the year to 31 August 2022 to ensure that pupils receive a broad range of learning experiences.

During the year ended 31 August 2021 the trust had a total income of £8,926,971 over the four schools. Total resources expended were £8,707,084 leading to NET income being £219,887.

At the 31 August 2021 the NET book Value of the fixed assets was £6,775,865. The assets were used exclusively for providing education and associated support services to the pupils of Steel River Academy Trust.

#### Reserves policy

There is a policy in place and the trustees will review the reserve levels of each academy annually. Our plan is to have 4% of SRATs GAG funding in reserve, we are taking 4 yrs. to build up the reserves and we are in Year 2.

Each school provides 1% of their GAG funding each year to build the reserves and can access the reserves as and when needed through an application process. As the trust grows so will the reserves.

This will be treated as follows:

- Year One - 2020 – 2021: £60,535.46 end of year reserve.
- Year Two - 2021 – 2022: Planned approx. £121,070.92 (2%) end of year reserve.
- Year Three - 2022 – 2023: Planned approx. £181,606.38 (3%) end of year reserve.
- Year Four - 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 trust holds all its surplus as cash to ensure it has sufficient liquid resources to meet the day to day needs of the trust. The trustees will keep this under review and will seek to ensure that returns on investment made in the future are maximised whilst still maintaining liquidity.

#### 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:

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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.

#### Financial and risk management objectives and policies

##### **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..

##### **Streamlined energy and carbon reporting**

As the trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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

Steel River Academy Trust is committed to improving the educational outcomes for all children across all schools within the trust. The Trust Development Plan has been created with specific priorities in mind to further develop the leadership, governance, financial and academic outcomes of the trust.

The Trust will continue to respond to the challenges of the COVID 19 pandemic in a responsible manner so that our staff and pupils remain safe and in school, our schools remain at the heart of their community and our high educational standards are maintained.

The Trust will continue to develop the Trust Schools Improvement Team which is a successful peer review programme that has been developed using the existing, strong and qualified staff from within the Trust. The trust will benefit from closer working relationships between the schools, sharing good practice, offering support and challenge.

All schools will be focused on addressing the gaps in education caused by the COVID 19 Pandemic. The schools will focus on their recovery curriculum ensuring an effective recovery curriculum is in place to ensure children catch up on lost learning and make accelerated progress using the additional funding to support both in school and outside of school through tutoring.

The trust is looking to develop the schools sites. We are looking at accessing CIF funding to improve schools sites across the trust and ensure that all buildings are fit for purpose.

The Trust will continue to develop partnerships working with other schools, including looking at the growth strategy and how we can work with and or support other schools.

##### **Funding Bids**

The trust is currently submitting CIF bids on behalf of three of the schools within the trust. The projects include roofing, drainage, heating and fire safety.

# STEEL RIVER ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 17 December 2021 and signed on its behalf by:

✱ 

S J Powell  
Chair

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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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 Co 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 7 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	7	7
P Jackson	7	7
A K Mackenzie	7	7
S J Powell (Chair)	6	7
A Ryalls	5	7
J M Sinclair	7	7
J A Wilkinson	4	7
K McDonald (Appointed 25 September 2020)	7	7
L Misaljevich (Appointed 25 September 2020)	6	7
M A Williamson (Appointed 5 October 2020)	6	6

Skills audit has been completed by the Trustees and LGB. Training is offered to all on a regular basis via Redcar and Cleveland Governor Support Services. We have also signed up the National Governors Association training package which all can access.

Trust Improvement Plans and School Improvement Plans are shared with Trustees and LGB members annually and reviewed on a termly basis. Co CEO's and HTs report on the actions and outcomes.

### Issues dealt with this year

- The management of the Trust and School response to the C19 Pandemic
- Re writing and sharing of the Scheme of delegation. This has been discussed and approved at all levels of governance and leadership.
- Trust leadership restructure after the resignation of the CEO. The creation the Co CEO role that is in place currently, reviewing the role on a termly basis and ensuring the effectiveness of leadership across the trust.
- Improving communications with LGBs.

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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)	5	5
J M Sinclair	5	5
J A Wilkinson	4	5
K McDonald (Appointed 25 September 2020)	4	4

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
- behaviour
- stakeholder relationships
- all associated statutory policies



# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A H Duncan	3	3
P Jackson	2	3
A Ryalls	3	3
M A Williamson (Appointed 5 October 2020)	3	3

#### Review of value for money

As accounting officer, the Co 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:

- Each school has reviewed contracts and SLAs and CFO has put together a contract register to show which SLAs need to be adopted centrally with an initial timetable put together.
- Each school has developed a premises development plan prioritising work and allowing time to get value for money.
- The trust has in place a finance policy and procedure document highlighting what schools need to do when going through the procurement process to ensure value for money.
- 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.
- The trust is starting to create a contractors register so that each school has a choice of contractors to use and choose from.

#### 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 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal 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 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# STEEL RIVER ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 Internal Auditors to carry out specific functions. We used the Academies Handbook, our own procedures and advice from the auditor to set the programme. The trust hired JGT Auditors and they conducted 3 visits across the year coming in once every term.

The auditors role included giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- 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
- Policy and procedure

We had three visits during the year, one in the Autumn term of 2020 one in the Spring Term 2021 and one in the Summer Term of 2021. Each visit highlighted risks found and an action plan to mitigate the risks. Each audit report was shared with the Finance, Audit and Risk Committee Termly and also with the Trust Board. Both The CAO and the CFO reported on the actions and the progress made against each action on a termly basis.

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.

#### **Review of effectiveness**

As accounting officer, the Co 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 work of the internal auditor who has been vetted and approved by the members and trustees.
- 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 2021**

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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 internal auditor and FAR 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 17 December 2021 and signed on its behalf by:



S J Powell  
Chair



Mr J Murgatroyd  
Accounting Officer

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2021**

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As accounting officer of Steel River Academy Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

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



Mr J Murgatroyd  
**Accounting Officer**

17 December 2021

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2020 to 2021 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 2020 to 2021;
- 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 17 December 2021 and signed on its behalf by:

X 

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 2021**

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### Opinion

We have audited the accounts of Steel River Academy Trust for the year ended 31 August 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2020 to 2021.

### 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

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

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

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

### 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 2021*

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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.

# STEEL RIVER ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 2021

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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

17/12/2021

Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
United Kingdom  
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 2021**

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In accordance with the terms of our engagement letter dated 8 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Steel River Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

### **Approach**

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

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

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

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

## 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 2021

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

*Azets Audit Services*

Reporting Accountant  
Azets Audit Services

Dated: 17/12/2021

# STEEL RIVER ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020 as restated £
<b>Income and endowments from:</b>						
Donations and capital grants	3	22,934	-	112,964	135,898	71,648
Donations - transfer from local authority on conversion		-	-	-	-	5,848,302
Charitable activities:						
- Funding for educational operations	6	56,138	8,668,904	-	8,725,042	8,124,834
Other trading activities	4	65,888	-	-	65,888	82,876
Investments	5	143	-	-	143	1,328
<b>Total</b>		<b>145,103</b>	<b>8,668,904</b>	<b>112,964</b>	<b>8,926,971</b>	<b>14,128,988</b>
<b>Expenditure on:</b>						
Raising funds	7	91,972	-	-	91,972	68,353
Charitable activities:						
- Educational operations	9	29,548	8,337,726	247,838	8,615,112	8,215,814
<b>Total</b>	<b>7</b>	<b>121,520</b>	<b>8,337,726</b>	<b>247,838</b>	<b>8,707,084</b>	<b>8,284,167</b>
<b>Net income/(expenditure)</b>		<b>23,583</b>	<b>331,178</b>	<b>(134,874)</b>	<b>219,887</b>	<b>5,844,821</b>
Transfers between funds	17	-	(304,192)	304,192	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	19	-	(127,000)	-	(127,000)	(853,000)
<b>Net movement in funds</b>		<b>23,583</b>	<b>(100,014)</b>	<b>169,318</b>	<b>92,887</b>	<b>4,991,821</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		889,430	(2,504,156)	6,606,547	4,991,821	-
Total funds carried forward		913,013	(2,604,170)	6,775,865	5,084,708	4,991,821

# STEEL RIVER ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020		Unrestricted funds	Restricted funds: General Fixed asset		Total 2020
As restated	Notes	£	£	£	as restated £
<b>Income and endowments from:</b>					
Donations and capital grants	3	24,367	-	47,281	71,648
Donations - transfer from local authority on conversion		1,053,903	(1,789,000)	6,583,399	5,848,302
Charitable activities:					
- Funding for educational operations	6	63,041	8,061,793	-	8,124,834
Other trading activities	4	82,876	-	-	82,876
Investments	5	1,328	-	-	1,328
<b>Total</b>		<u>1,225,515</u>	<u>6,272,793</u>	<u>6,630,680</u>	<u>14,128,988</u>
<b>Expenditure on:</b>					
Raising funds	7	68,353	-	-	68,353
Charitable activities:					
- Educational operations	9	105,776	7,893,258	216,780	8,215,814
<b>Total</b>	7	<u>174,129</u>	<u>7,893,258</u>	<u>216,780</u>	<u>8,284,167</u>
<b>Net income/(expenditure)</b>		1,051,386	(1,620,465)	6,413,900	5,844,821
Transfers between funds	17	(161,956)	(30,691)	192,647	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	19	-	(853,000)	-	(853,000)
<b>Net movement in funds</b>		889,430	(2,504,156)	6,606,547	4,991,821
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>889,430</u>	<u>(2,504,156)</u>	<u>6,606,547</u>	<u>4,991,821</u>

# STEEL RIVER ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		6,775,865		6,606,547
<b>Current assets</b>					
Debtors	14	405,848		365,571	
Cash at bank and in hand		1,818,440		1,266,335	
			2,224,288		1,631,906
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(397,445)		(290,632)	
<b>Net current assets</b>			1,826,843		1,341,274
<b>Net assets excluding pension liability</b>			8,602,708		7,947,821
Defined benefit pension scheme liability	19		(3,518,000)		(2,956,000)
<b>Total net assets</b>			5,084,708		4,991,821
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			6,775,865		6,606,547
- Restricted income funds			913,830		451,844
- Pension reserve			(3,518,000)		(2,956,000)
<b>Total restricted funds</b>			4,171,695		4,102,391
<b>Unrestricted income funds</b>	17		913,013		889,430
<b>Total funds</b>			5,084,708		4,991,821

The accounts on pages 26 to 51 were approved by the trustees and authorised for issue on 17 December 2021 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 2021

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		2021		2020 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		936,814		403,751
Cash funds transferred on conversion			-		1,053,903
			<u>936,814</u>		<u>1,457,654</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		143		1,328	
Capital grants from DfE Group		32,304		32,281	
Capital funding received from sponsors and others		-		15,000	
Purchase of tangible fixed assets		(417,156)		(239,928)	
			<u>(384,709)</u>		<u>(191,319)</u>
<b>Net cash used in investing activities</b>					
<b>Net increase in cash and cash equivalents in the reporting period</b>			552,105		1,266,335
Cash and cash equivalents at beginning of the year			1,266,335		-
			<u>1,266,335</u>		<u>-</u>
<b>Cash and cash equivalents at end of the year</b>			<u>1,818,440</u>		<u>1,266,335</u>

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# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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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 2020 to 2021 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 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.

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.



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1 Accounting policies

(Continued)

##### 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.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

##### 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.

#### 1.5 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.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 1 Accounting policies

(Continued)

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.

#### 1.6 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.

#### 1.7 Leased assets

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

#### 1.8 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.

##### 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.

#### 1.9 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.

#### 1.10 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.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

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.

#### 1.11 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.

### 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.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 2 Critical accounting estimates and areas of judgement

(Continued)

#### Local Government Pension Scheme

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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	80,660	80,660	-
Capital grants	-	32,304	32,304	32,281
Other donations	22,934	-	22,934	39,367
	<u>22,934</u>	<u>112,964</u>	<u>135,898</u>	<u>71,648</u>

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	22,971	-	22,971	18,355
Catering income	261	-	261	562
Parental contributions	9,748	-	9,748	10,667
Other income	32,908	-	32,908	53,292
	<u>65,888</u>	<u>-</u>	<u>65,888</u>	<u>82,876</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	143	-	143	1,328
	<u>143</u>	<u>-</u>	<u>143</u>	<u>1,328</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	6,151,546	6,151,546	5,805,195
Other DfE / ESFA grants:				
UIFSM	-	92,700	92,700	43,681
Pupil premium	-	1,022,650	1,022,650	1,011,275
Teachers pension grants	-	70,981	70,981	71,721
Teachers pay grants	-	200,565	200,565	202,657
PE and sports premium	-	75,600	75,600	75,290
Rates	-	21,608	21,608	23,328
Others	-	71,535	71,535	21,120
	-	7,707,185	7,707,185	7,254,267
<b>Other government grants</b>				
Local authority grants	-	857,079	857,079	780,793
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	104,640	104,640	-
Other DfE/ESFA COVID-19 funding	-	-	-	20,958
	-	104,640	104,640	20,958
<b>Other funding</b>				
Catering income	29,548	-	29,548	43,129
Other incoming resources	26,590	-	26,590	25,687
	56,138	-	56,138	68,816
<b>Total funding</b>	<b>56,138</b>	<b>8,668,904</b>	<b>8,725,042</b>	<b>8,124,834</b>

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises Other £ £		Total 2021 £	Total 2020 as restated £
Expenditure on raising funds					
- Direct costs	53,814	-	38,158	91,972	68,353
Academy's educational operations					
- Direct costs	5,613,845	-	399,069	6,012,914	5,870,843
- Allocated support costs	1,198,528	764,012	639,658	2,602,198	2,344,971
	6,866,187	764,012	1,076,885	8,707,084	8,284,167

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure	(Continued)	
Net income/(expenditure) for the year includes:	2021	2020
	£	£
Fees payable to auditor for:		
- Audit	7,350	7,400
- Other services	2,600	7,200
Operating lease rentals	39,020	35,097
Depreciation of tangible fixed assets	247,838	216,780
Net interest on defined benefit pension liability	49,000	32,000
	<u>          </u>	<u>          </u>

## 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 2021 the academy trust charged fees for the services provided at 3% of GAG income. No fees were charged in the previous year.

The amounts charged during the year were as follows:	2021	2020
	£	£
Bankfields Primary School	34,824	-
Whale Hill Primary School	63,966	-
Grangetown Primary School	37,930	-
Caedmon Primary School	44,886	-
	<u>          </u>	<u>          </u>
	181,606	-
	<u>          </u>	<u>          </u>

## 9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020 as restated
	£	£	£	£
<b>Direct costs</b>				
Educational operations	-	6,012,914	6,012,914	5,870,843
<b>Support costs</b>				
Educational operations	29,548	2,572,650	2,602,198	2,344,971
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	29,548	8,585,564	8,615,112	8,215,814
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Charitable activities

(Continued)

	2021	2020
	£	£
<b>Analysis of support costs</b>		
Support staff costs	1,201,026	1,053,208
Depreciation	247,838	216,780
Premises costs	516,174	547,527
Legal costs	3,630	21,438
Other support costs	608,569	491,418
Governance costs	24,961	14,600
	<u>2,602,198</u>	<u>2,344,971</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021	2020
	£	£
Wages and salaries	4,917,029	4,847,852
Social security costs	452,665	423,880
Pension costs	1,392,658	1,261,823
Staff costs - employees	<u>6,762,352</u>	<u>6,533,555</u>
Agency staff costs	89,809	27,807
Staff restructuring costs	14,026	18,914
	<u>6,866,187</u>	<u>6,580,276</u>
Staff development and other staff costs	60,144	29,319
Total staff expenditure	<u>6,926,331</u>	<u>6,609,595</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>14,026</u>	<u>18,914</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £2,024).

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

(Continued)

#### Staff numbers

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

	2021 Number	2020 Number
Teachers	74	74
Administration and support	125	129
Management	17	18
	<u>216</u>	<u>221</u>

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	2	3
£70,001-£80,000	2	1
	<u>4</u>	<u>4</u>

#### 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 £502,752 (2020: £518,483).

### 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 (2020: £nil).

### 12 Trustees' and officers' insurance

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 2021 was £258 (2020: £182). The cost of this insurance is included in the total insurance cost.



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	6,402,485	144,074	276,768	6,823,327
Additions	193,386	171,771	51,999	417,156
At 31 August 2021	6,595,871	315,845	328,767	7,240,483
<b>Depreciation</b>				
At 1 September 2020	125,103	42,761	48,916	216,780
Charge for the year	127,992	62,775	57,071	247,838
At 31 August 2021	253,095	105,536	105,987	464,618
<b>Net book value</b>				
At 31 August 2021	6,342,776	210,309	222,780	6,775,865
At 31 August 2020	6,277,382	101,313	227,852	6,606,547
<b>14 Debtors</b>				
			<b>2021</b>	<b>2020</b>
			£	£
Trade debtors			1,628	640
VAT recoverable			77,988	29,811
Other debtors			4,000	4,000
Prepayments and accrued income			322,232	331,120
			405,848	365,571
<b>15 Creditors: amounts falling due within one year</b>				
			<b>2021</b>	<b>2020</b>
			£	£
Trade creditors			136,187	35,793
Other taxation and social security			108,575	98,370
Accruals and deferred income			152,683	156,469
			397,445	290,632

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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16 Deferred income	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	68,068	84,216
	<u>68,068</u>	<u>84,216</u>
Deferred income at 1 September 2020	84,216	-
Released from previous years	(84,216)	-
Resources deferred in the year	68,068	84,216
	<u>68,068</u>	<u>84,216</u>
<b>Deferred income at 31 August 2021</b>	<b><u>68,068</u></b>	<b><u>84,216</u></b>

Deferred income comprises rates relief and universal infants' free school meals for the 2021-2022 academic year received in advance.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

	Balance at 1 September 2020 as restated £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	449,170	6,151,546	(5,385,714)	(304,192)	910,810
UIFSM	-	92,700	(92,700)	-	-
Pupil premium	-	1,022,650	(1,022,650)	-	-
Teachers pension grants	-	70,981	(70,981)	-	-
Teachers pay grants	-	200,565	(200,565)	-	-
PE and sports premium	-	75,600	(72,580)	-	3,020
Rates	-	21,608	(21,608)	-	-
Other DfE / ESFA grants	-	71,535	(71,535)	-	-
Catch-up premium	-	104,640	(104,640)	-	-
Other government grants	2,674	857,079	(859,753)	-	-
Pension reserve	(2,956,000)	-	(435,000)	(127,000)	(3,518,000)
	<u>(2,504,156)</u>	<u>8,668,904</u>	<u>(8,337,726)</u>	<u>(431,192)</u>	<u>(2,604,170)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	6,384,795	-	(208,656)	-	6,176,139
DfE group capital grants	30,844	32,304	(4,761)	-	58,387
Capital expenditure from GAG	178,158	-	(31,421)	312,352	459,089
Private sector capital sponsorship	12,750	80,660	(3,000)	(8,160)	82,250
	<u>6,606,547</u>	<u>112,964</u>	<u>(247,838)</u>	<u>304,192</u>	<u>6,775,865</u>
<b>Total restricted funds</b>	<u>4,102,391</u>	<u>8,781,868</u>	<u>(8,585,564)</u>	<u>(127,000)</u>	<u>4,171,695</u>
<b>Unrestricted funds</b>					
General funds	<u>889,430</u>	<u>145,103</u>	<u>(121,520)</u>	<u>-</u>	<u>913,013</u>
<b>Total funds</b>	<u>4,991,821</u>	<u>8,926,971</u>	<u>(8,707,084)</u>	<u>(127,000)</u>	<u>5,084,708</u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 17 Funds

(Continued)

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 2021.

Other government grants include income for pupils with special educational needs, early years 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 2021 the academy had restricted general and unrestricted funds of £1,826,843.

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

(Continued)

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

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020 as restated
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,805,195	(5,325,334)	(30,691)	449,170
UIFSM	-	43,681	(43,681)	-	-
Pupil premium	-	1,011,275	(1,011,275)	-	-
Teachers pension grants	-	71,721	(71,721)	-	-
Teachers pay grants	-	202,657	(202,657)	-	-
PE and sports premium	-	75,290	(75,290)	-	-
Rates	-	23,328	(23,328)	-	-
Other DfE / ESFA grants	-	21,120	(21,120)	-	-
Other government grants	-	801,751	(799,077)	-	2,674
Other restricted funds	-	5,775	(5,775)	-	-
Pension reserve	-	(1,789,000)	(314,000)	(853,000)	(2,956,000)
	-	6,272,793	(7,893,258)	(883,691)	(2,504,156)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	-	6,583,399	(198,604)	-	6,384,795
DfE group capital grants	-	32,281	(1,437)	-	30,844
Capital expenditure from GAG	-	-	(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>	-	12,903,473	(8,110,038)	(691,044)	4,102,391
<b>Unrestricted funds</b>					
General funds	-	1,225,515	(174,129)	(161,956)	889,430
<b>Total funds</b>	-	14,128,988	(8,284,167)	(853,000)	4,991,821

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 17 Funds

(Continued)

#### Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Bankfields Primary School	205,490	143,611
Whale Hill Primary School	615,169	446,555
Grangetown Primary School	443,193	493,287
Caedmon Primary School	504,454	242,404
Central services	58,537	15,417
	<u>1,826,843</u>	<u>1,341,274</u>
Total before fixed assets fund and pension reserve	1,826,843	1,341,274
Restricted fixed asset fund	6,775,865	6,606,547
Pension reserve	(3,518,000)	(2,956,000)
	<u>5,084,708</u>	<u>4,991,821</u>
Total funds	<u><u>5,084,708</u></u>	<u><u>4,991,821</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 2021	Total 2020
	£	£	£	£	£	£
Bankfields Primary School	1,060,533	145,870	66,212	233,035	1,505,650	1,509,352
Whale Hill Primary School	2,061,068	245,707	106,486	348,892	2,762,153	2,683,335
Grangetown Primary School	1,346,520	191,661	84,934	297,473	1,920,588	1,786,246
Caedmon Primary School	1,153,211	206,516	83,697	254,188	1,697,612	1,648,851
Central services	46,327	22,774	94	69,048	138,243	85,080
	<u>5,667,659</u>	<u>812,528</u>	<u>341,423</u>	<u>1,202,636</u>	<u>8,024,246</u>	<u>7,712,864</u>
	<u><u>5,667,659</u></u>	<u><u>812,528</u></u>	<u><u>341,423</u></u>	<u><u>1,202,636</u></u>	<u><u>8,024,246</u></u>	<u><u>7,712,864</u></u>

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	6,775,865	6,775,865
Current assets	913,013	1,311,275	-	2,224,288
Creditors falling due within one year	-	(397,445)	-	(397,445)
Defined benefit pension liability	-	(3,518,000)	-	(3,518,000)
<b>Total net assets</b>	<b>913,013</b>	<b>(2,604,170)</b>	<b>6,775,865</b>	<b>5,084,708</b>

	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	-	(2,956,000)	-	(2,956,000)
<b>Total net assets</b>	<b>889,430</b>	<b>(2,504,156)</b>	<b>6,606,547</b>	<b>4,991,821</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 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 2021

### 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 £782,119 (2020: £767,293).

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 to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Total contributions made	2021 £	2020 £
Employer's contributions	225,000	214,000
Employees' contributions	74,000	70,000
Total contributions	<u>299,000</u>	<u>284,000</u>



# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.7	3.3
Rate of increase for pensions in payment/inflation	2.7	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.7	2.3

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	23.6	23.5
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.4	25.3

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

	2021	2020
Discount rate + 0.1%	8,185,000	6,575,000
Discount rate - 0.1%	8,553,000	6,871,000
Mortality assumption + 1 year	8,051,000	6,481,000
Mortality assumption - 1 year	8,695,000	6,972,000
CPI rate + 0.1%	8,511,000	6,837,000
CPI rate - 0.1%	8,227,000	6,609,000

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

	2021 Fair value £	2020 Fair value as restated £
Equities	3,837,141	2,862,920
Cash	402,633	436,972
Property	354,123	301,360
Other assets	257,103	165,748
Total market value of assets	4,851,000	3,767,000

The actual return on scheme assets was £830,000 (2020: £(28,000)).

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations		(Continued)	
Amount recognised in the statement of financial activities	2021	2020	as restated
	£	£	£
Current service cost	611,000	496,000	
Interest income	(66,000)	(70,000)	
Interest cost	115,000	102,000	
	<u>660,000</u>	<u>528,000</u>	
	<u><u>660,000</u></u>	<u><u>528,000</u></u>	
<b>Changes in the present value of defined benefit obligations</b>	<b>2021</b>	<b>2020</b>	
	<b>£</b>	<b>£</b>	
At 1 September 2020	6,723,000	-	
Obligations acquired on conversion	-	5,327,000	
Current service cost	611,000	496,000	
Interest cost	115,000	102,000	
Employee contributions	74,000	70,000	
Actuarial loss	891,000	755,000	
Benefits paid	(45,000)	(27,000)	
	<u>8,369,000</u>	<u>6,723,000</u>	
At 31 August 2021	<u><u>8,369,000</u></u>	<u><u>6,723,000</u></u>	
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2021</b>	<b>2020</b>	
	<b>£</b>	<b>£</b>	
At 1 September 2020	3,767,000	-	
Assets acquired on conversion	-	3,538,000	
Interest income	66,000	70,000	
Actuarial (gain)/loss	764,000	(98,000)	
Employer contributions	225,000	214,000	
Employee contributions	74,000	70,000	
Benefits paid	(45,000)	(27,000)	
	<u>4,851,000</u>	<u>3,767,000</u>	
At 31 August 2021	<u><u>4,851,000</u></u>	<u><u>3,767,000</u></u>	

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

20	Reconciliation of net income to net cash flow from operating activities	2021 £	2020 as restated £
	Net income for the reporting period (as per the statement of financial activities)	219,887	5,844,821
	Adjusted for:		
	Net surplus on conversion to academy	-	(5,848,302)
	Capital grants from DfE and other capital income	(32,304)	(47,281)
	Investment income receivable	(143)	(1,328)
	Defined benefit pension costs less contributions payable	386,000	282,000
	Defined benefit pension scheme finance cost	49,000	32,000
	Depreciation of tangible fixed assets	247,838	216,780
	(Increase) in debtors	(40,277)	(365,571)
	Increase in creditors	106,813	290,632
	<b>Net cash provided by operating activities</b>	<u>936,814</u>	<u>403,751</u>

21	Analysis of changes in net funds	1 September 2020 £	Cash flows £	31 August 2021 £
	Cash	1,266,335	552,105	1,818,440

### 22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	15,362	20,668
Amounts due in two and five years	6,293	22,195
	<u>21,655</u>	<u>42,863</u>

### 23 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	5,690	-

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 24 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. 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.

Mrs Robinson, daughter of Mr J Blakely (Member of the Trust Board), is employed by the trust as a teacher at Grangetown Primary school. Mrs Robinson's appointment pre-dated Mr Blakely becoming a Member of the Trust Board. Mrs Robinson was appointed in open competition through a competitive interview process by a recruitment panel. Mrs Robinson 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.

#### 25 Members' liability

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

#### 26 Prior period adjustment

		1 September 2019	31 August 2020
	Notes	£	£
<b>Reconciliation of funds</b>			
Funds as previously reported		-	4,341,821
Adjustments arising:			
LGPS assets acquired on conversion	19	-	650,000
LGPS actuarial gains and losses	19	-	-
Funds as restated		-	4,991,821
			2020
<b>Reconciliation of net income for the previous financial period</b>	Notes		£
Net income as previously reported			5,176,821
Adjustments arising:			
LGPS assets acquired on conversion	19		650,000
LGPS actuarial gains and losses	19		18,000
Net income as restated			5,844,821

# STEEL RIVER ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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26 Prior period adjustment

(Continued)

### Notes to restatement

The fair value of the scheme assets has been restated in the prior year due to an amendment made by the actuary.

