

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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STEWARDS ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Tarling Mr J Hewlett Mr A Bower Ms K Rushbrooke (appointed 21 January 2021)
Trustees	Mrs N Gray (resigned 1 September 2020) Mrs H Ginger, Headteacher Mr J Tarling Mrs J Baldwin (resigned 23 September 2020) Mr A Ward Mr S Dodd Ms A Atkinson Dr D Guest Mr P Hickman Mr B Moldon Ms K Rushbrooke (resigned 12 November 2020) Mr J Keys-Kid (appointed 22 June 2021) Mrs S Nelmes (resigned 27 June 2021) Mrs S Oliver
Company registered number	07770970
Company name	Stewards Academy Trust
Principal and registered office	Stewards Academy Parnall Road Harlow Essex CM18 7NQ
Company Secretary	Mrs A Avis
Chief Executive Officer	Mrs H Ginger
Senior Leadership Team	Helen Ginger, Headteacher Alec Lang, Assistant Headteacher Clare O'Sullivan, Deputy Headteacher Sally Goddard, Assistant Headteacher Mark Scholtes, Deputy Headteacher Simon Preece, Deputy Headteacher Holly Sherwood, Assistant Headteacher Mark Harman, Assistant Headteacher Di Da Vighi, Assistant Headteacher Russell Perrin, Assistant Headteacher Jo Bartlett, Assistant Headteacher Dani Ramsey, Assistant Headteacher Alison Avis, Business Manager Janine Francis, Assistant Headteacher

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

Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Lloyds
25 East Gate
Harlow
CM20 1LD

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Stewards Academy Trust (the Trust or the Charitable Company) for the year ended 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 11 to 16 serving a catchment area in in Harlow. It has a pupil capacity of 1,050 and has a current roll of 1062 in the October 2021 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Stewards Academy ("the School").

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The methods for appointing Trustees to the Charitable Company are set out in the Articles and Funding Agreement. A summary of this information is set out below:

- Parent Governors are elected by parents of pupils attending the School.
- Staff Governors are elected by staff employed by the Trust.
- Community Governors may be appointed by the Board of Trustees.
- Local Authority Governors may be appointed with approval from the Local Authority.
- Co-operative Governors may be appointed with approval from the Co-operative Society.
- Co-opted Governors may be appointed by those Governors who are not themselves co-opted.
- The Headteacher is automatically an ex-officio Governor.

Trustees are appointed for a fixed term. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for a minimum of 3 Trustees but shall not be subject to any maximum. Currently there are 8 Trustees comprising of 2 Parents, 1 Staff Non-Teaching, 5 others plus the Headteacher. There is a vacancy for Staff Teaching to be filled shortly.

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Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Headteacher or Senior Deputy Headteacher.

New Trustees are provided with an induction pack that includes: Articles of Association, Terms of Reference, details of Trustees' training opportunities, list of Trustees with contact details, Code of Conduct, timetable of Trustees' meetings, most recent Head's report to Trustees, minutes of the last two meetings, list of staff, latest OFSTED Report and a summary of the SEF (Self Evaluation Form). New Trustees will have a meeting with the Headteacher and are invited to tour the School to speak to staff and pupils. New Trustees are encouraged to liaise with experienced Trustees to assist with background information.

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training to enable them to perform their role effectively. To this end the Trust subscribes to Essex County Council Governor Support Services. A huge range of training courses are available, and Trustees may attend as many as they wish under the Trust's umbrella subscription. Trustees are expected to attend safeguarding training sessions delivered by the Trust's Safeguarding Officer.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets at least termly and each individual committee which meets at least 4 times per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner (if applicable) and reviews them.

The Headteacher is the designated Accounting Officer and, in accordance with the Trust's Financial Regulations, has overall responsibility for the day to day financial management of the Academy. The Headteacher and other designated senior staff have delegated authority for expenditure within set limits. The Headteacher has further delegated responsibility for low values of expenditure to specific budget holders e.g. Subject Leaders, who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust on a daily basis supported by a Leadership Team (LT). The LT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the LT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

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Trade Union Facility Time

The number of employees who were relevant union officials during the period was 2 (2020: 1). The full-time equivalent was 2 (2020: 1). During the year the two employees spent 3.75% of time on facility time.

The Academy also spent £1,087 on an outsourced service to Essex County Council for public duties buy back.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- The Headteacher is a Trustee of the Harlow Education Trust but does not hold control. HET is a non-profit group of primary and secondary schools within Harlow which exists to provide pupil and curriculum support, and to procure best value deals for services. All schools pay a subscription fee to fund the organisation.
- The Headteacher is a Governor of the ECC Virtual School, which is responsible for the wellbeing and education of children in care.
- The Headteacher is a Governor at St James Church of England Primary School.
- The Headteacher is a member of ASHE council – the Association of Secondary Headteachers in Essex.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Objectives, Strategies and Activities

During the year the School has worked towards these aims by:

- Ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and pastoral care, including greater access to wellbeing organisations such as Place 2 Be.
- Ensuring that pupils and staff have a safe environment in which to work.
- Providing enrichment opportunities where COVID restrictions have allowed.
- Providing Careers Information and advice.
- Continuing to raise the standard of educational achievement of all pupils and thereby maintaining the Trust's local and national reputation.
- Promoting and delivering a comprehensive on-line teaching programme.
- Improving the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- Providing value for money for the funds expended.
- Complying with all appropriate statutory and curriculum requirements.
- Conducting the Trust's business in accordance with the highest standards of integrity.

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Our success in fulfilling our aims can be measured by:

- Comprehensive and effective online remote learning model
- Implementation of Teacher Assessed Grade Model resulting best-ever results in 4 attainment measures
- Implementation of COVID safety measures
- NFD Ofsted inspection with a judgement of 'safeguarding is effective'.
- Introduction of new Business/MFL Language Course to increase the number of pupils studying a language.

In summary here at Stewards Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our goal is that every Stewards pupil will leave equipped to enter the world of work or to go on to further and higher education if that is their career plan.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

Specific achievements were as follows:

- Ebacc Entry figures above national average.
- Best results achieved for Attainment 8
- Best results achieved for a Strong Pass in English and Maths
- Best results achieved for average Ebacc Point Score
- Best results achieved for standard Ebacc pass
- Successful destination data for Year 11 pupils leaving Stewards Academy August 2020:
 - 93% remained in full time education;
 - 0.5% in full time training;
 - 3% full time employment;
 - 3.4 % Not in Education, Employment or Training (NEET).
- Prince's Teaching Institute Quality Mark awarded for Subject Leadership in Art, History, MFL and Science.
- Prince's Teaching Institute Quality Mark awarded for School Leadership.

Key Performance Indicators

The Trustees receive regular information at each Committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Funded pupil numbers for 2020/21 were 1098 based on the Autumn 2019 census and actual pupil numbers for September 2020/21 were 1087 based on Autumn 2020 census.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2020/21 this was calculated at 80% (72% 2019/20). There were large redundancy payments in 2020/21. The Board of Trustees is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by the Board.

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The Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All the above KPIs were within the parameters set by the Board.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.3.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2021 the Trust received £7,748,807 of GAG and other funding (excluding capital). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,632,396 on general running costs (excluding capital) and transferred £245,742 to support capital new build and improvement projects on the School site. The Trust brought forward from 19/20 £993,200 of restricted funds and £1,002,466 unrestricted funding. The carry forward for 20/21 is £863,869 restricted funding (excluding fixed assets) and £1,002,466 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £7,969,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over many years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,002,466. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2021 was £1,866,335.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,184,526. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £550,000 to cover short term cash flow variances.

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Investment Policy

An Investment Policy was reviewed and approved by the Board of Trustees November 2020 and is due to be reviewed in November/December 2022.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Fundraising

Due to the COVID lockdown and restrictions the Academy's fundraising events were cancelled. The Trust did not work with professional fundraisers or companies who would carry out fundraising on its behalf. During the year, no complaints or issues were raised as a result of the fundraising events.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to say risks are monitored on behalf of the Trustees at each Resources Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;

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- Fraud and mismanagement of funds - The Trust has appointed Juniper Education Finance Support (previously ECC Internal Controls Evaluation Service) to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- Financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

- Ensure pupils make progress in line with national figures with a particular focus on narrowing the gap for Pupil Premium, SEND and High Attainers.
- Continue to develop the Quality of Education through consistent Schemes of Learning that define the knowledge, attributes, and skills that pupils will develop within each curriculum area.
- Ensure staff retention and satisfaction remains high, resulting in stability for pupils and progress towards consistently outstanding teaching.
- Ensure that the Academy remains a popular choice for parents to attract adequate funding

The Trustees are embedding the ongoing successes from previous years to ensure that the values and vision of the Trust to provide an enriching and high-quality education for all pupils continues. The Trustees are ensuring that high quality staff have opportunities which enable them to work with pupils so that pupils aspire to be the best they can in an ever-changing world. The focus is on developing the pupil as a whole to ensure they leave the School as confident, principled and resilient young citizens with the best academic results they could hope to achieve.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 1 December 2021 and signed on its behalf by:

Mr J Tarling
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Stewards 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. Furthermore, the documentation is available to all Trustees on the shared drive enabling easy reference as and when required.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Stewards 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 3 times during the year, plus an additional 2 meetings with a focus on Finance (5 in total).

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

Trustee	Meetings attended	Out of a possible
Mrs N Gray	0	0
Mrs H Ginger, Headteacher	5	5
Mr J Tarling	5	5
Mrs J Baldwin	0	0
Mr A Ward	3	5
Mr S Dodd	5	5
Ms A Atkinson	5	5
Dr D Guest	4	5
Mr P Hickman	5	5
Mr B Moldon	3	5
Ms K Rushbrooke	1	1
Mr J Keys-Kid	0	0
Mrs S Nelmes	2	5
Mrs S Oliver	4	5

Review of year

Key Changes within the Board

At the start of this year the Board bid farewell to Mrs Jeannette Baldwin, who after many years stepped down from her position of Community Governor. As a result, Mrs Sandra Oliver, a Co-opted Governor agreed to change her position from Co-opted to Community. A further resignation was confirmed as Mrs Natalie Grey also resigned leaving a vacancy for a Parent Governor. In the current climate it was decided to leave this as a vacancy as the required 2 representatives from the Parent Body remained in place. In November the term for the following Governors expired; Mrs Karen Rushbrook – Community, Mr Brian Moldon – Local Authority and Dr David Guest – Co-opted. It was with the Boards pleasure that Mrs Karen Rushbrook agreed to become a Member and Mr Brian Moldon and Dr David Guest agreed to extend their term for a further 4 years. At the January meeting the Board confirmed the appointment of Mrs Rushbrook as a Member representing the Parents and Carers Constituency. During the January meeting the Board were informed that Mrs Sarah Nelmes term as a Parent Governor was due to end in June.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Mrs Nelmes confirmed that she would unfortunately not be continuing. Parent elections were held, and the appointment of Mr James Keys-Kidd as a Parent Governor was confirmed at the June meeting. At this meeting it was further agreed that Mr Brian Moldon would be moving from Local Authority Governor to that of Co-opted Governor.

Challenges and Coverage of Work

The Board have faced a number of challenges over the past year, but none more significant than the impact of coronavirus on the day-to-day operation of the School, including staffing, finance and premises matters, as well as disruption to the academic outcomes for pupils. The Board supported the Headteacher and Leadership Team in ensuring that government guidance was correctly interpreted and robustly implemented resulting in the Academy able to fulfil its many obligations to support staff and pupils within the School and wider community. This was facilitated as the Board continued to meet with the Headteacher and key members of the Leadership Team via virtual meetings. The Board recognise the achievement of the Headteacher and Leadership Team in delivering the high standards required to ensure the Academy remained Covid Secure throughout the lockdown period and as the pandemic continues. Furthermore, the Board publicly thank all the staff at the Academy, both teaching and non-teaching for their hard work and loyalty in supporting them and the Leadership Team in delivering the core business of the School to ensure the best possible outcomes for the pupils.

Financial constraints continue to challenge the Board and they are aware that this is likely to remain the situation moving forward. This was further evidenced as the ESFA allocated a School Resource Management Advisor (SRMA) to the Academy to ensure the budget remained sustainable for future years. The report from the SRMA was positive and agreed that the actions being taken during the year were necessary. The report went on to highlight some future opportunities to address potential financial shortfalls as and when circumstances change. Finally, it was highlighted that the Board, Management and Finance Team had been proactive in addressing the situation and as such the Board were discharged from remaining under the remit of the EFSA's SRMA.

Challenges that were highlighted from previous years remain current and this year continued to impact on the strategic decision making of the Board including:

- improving attendance, especially within vulnerable groups
- making progress in line with national figures
- narrowing the gap between Pupil Premium Pupils, SEND and High Attainers
- driving up standards to ensure every child achieves their full academic and personal potential.

The Board remain mindful that this needs to be achieved whilst maintaining 'best value for money' and financial sustainability, alongside ensuring staff retention and satisfaction to ensure the continuity of pupil learning.

Information about the quality of the data used by the Board, and why the Board finds it acceptable

The Board regularly review data provided by the Academy and external bodies such as the DFE; for example, internal assessment (budget and forecasting documents) and external data such as benchmarking. Scrutiny of benchmarking data indicated consistent spending in line with similar schools; furthermore, it drives the Board to make proactive decisions to ensure financial sustainability while ensuring high standards of Teaching and Learning remain. Other information and data reviewed, challenged, and actioned by the Board include internal and external audit reports and progress data of all pupils as well as specific data for vulnerable and identifiable groups. Leadership staff, reviewing and presenting the data, are held to account through challenging conversations to ensure that data is accurate and robust.

The Boards' Performance

Overall, the Boards performance continues to be tested as both the strategic and operational requirements within the Academy have been challenged. There have been several reasons but predominantly the impact of coronavirus has had the greatest effect.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Since the middle of March 2020, the Board and staff at the Academy have been working in a crisis management situation resulting in Board having to adapt, monitor and review current working practice to ensure robustness during this time. Many practices, policies and procedure, approved by the Board, have been used to underpin the interpretation and delivery of the guidance received from the DfE, EFSA, LA and other professional bodies. Where necessary, the Board have demonstrated flexibility in working with the Headteacher and Leadership Team to ensure the on-going delivery of the core business of the Academy without compromising the business aspect or the accountability required of them. Under these unusual conditions, the Board are confident that they have evidenced their effectiveness in delivering the Academy's strategic role during a time when the whole Academy community has been both physically and mentally challenged at a level that is unprecedented.

Governance reviews

In September 2020 members of the Board reviewed the Governors skills audit. The Board concluded that they had a wide range of relevant skills; however, it was also recognised that there were some areas across the Board where some essential key challenges/gaps had been identified. These were in relation to:

- strategic planning and translating a vision into clear objectives
- involvement in change management activities e.g. planning a re-structure or re-organisation
- financial planning, monitoring, decision making, compliance and control within the school sector
- human resource (HR) policy and processes within the school sector
- inspection and oversight within the school sector.

This was further compounded due to the size and composition of the Board; however, combining the Finance and General Purposes Committee and the Staffing and Personnel committee to form a Resources Committee has assisted in ensuring some of these challenges/gaps were addressed. By combining these two committees the board felt able to continue to ensure robust financial oversight due to the various skills and experience the individual committee members possess. A further skill audit will take place in 2021/22.

The Resources Committee undertook a review of the School Resource Management Self-Assessment Tool (SRMSAT), taking their Skills Audit into consideration. Overall, the Board are in a strong position and agreed that for areas indicating some challenge, resources would be directed to support in engaging specialist advice.

The final review was undertaken by the School Resource Management Advisor (SRMA) and within their report concluded that

'The trust has four Members and nine trustees (9) who bring a wide variety of experience to the trust.'

Financial oversight by the Board remains strong. The Resources Committee have held an additional five meetings as well as the three Board meetings. Monthly reports are sent to the Chair of Governors and Chair of Resources for comment, alongside budget and finance updates being reported and discussed at each of the Board meetings across the year

The Resources committee is a sub-committee of the main Board of Trustees. Its purpose is to:

To take overall responsibility on behalf of the Governing Body for financial matters, including formally setting the budget and ensuring all statutory returns including the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the EFA guidance. As part of their remit, they review financial policy to ensure consideration is given and evidenced in regard to long term planning, resourcing and best value. Furthermore, their remit includes ensuring that staffing is sufficient to fulfil the School's charitable function, whilst adhering to statutory and employment law requirements underpinned and implemented through policy and procedures to maintain professional and transparent practice.

The Audit Committee function is undertaken by the Resources Committee.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Committee review the Academy's internal and external financial statements and reports to ensure that they reflect best practice. These judgements are underpinned based upon termly reports received from the Juniper Education's Internal Controls Evaluation service and the annual external audit, currently Price Bailey LLP. The external Auditor's reports are presented in person at the December Resources meeting and includes reports on the Academy's accounts, achievement of value for money, and the response to any management letters.

By continually reviewing the effectiveness of the Academy's internal control systems the Resources Committee are able to establish and ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

The audit findings presented to the Resources Committee are also be reported, in full, to the Full Governing Body.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Ward	4	6
Mr S Dodd	4	6
Mrs H Ginger	6	6
Dr D Guest	6	6
Mr B Moldon	4	6
Mr J Tarling	6	6
Mrs A Atkinson	5	6
Mr P Hickman	4	6
Mrs S Nelmes	0	6
Mrs S Oliver	4	6

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Conducting a review of the staffing employed by the Academy, with a focus on the Leadership and Associate Teams. Decisions were made to streamline both teams in line with information obtained from benchmarking and comparison with other local schools. The findings were presented to the Board who decided to act upon the information presented. The decision was further ratified by the ESFA's SRMA who concurred that the actions being taken by the Trustees would ensure resources would remain focused on the continuity of teaching and necessary resources to benefit the education of pupils.
- To ensure that the community continues to benefit from the swimming pool, the Academy have worked in collaboration with a local community organisation to facilitate the provision of a Swim School. The financial benefit to the Academy will remain, which will allow resources to be directed back into supporting the upkeep of the pool and the development of swimming within the Academy to benefit its pupils.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- The two year review was undertaken in regard to energy costs incurred by the Academy. Our energy broker completed a comparison of providers for both Gas and Electric and we were able to secure a two year deal whereby the new gas contract, based on current usage secured a 19.03% saving and the electric a 4.01% increase. Net effect on the budget remains minimal; however, there is no anticipated increase in cost over the next 2 year period.

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 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 Stewards Academy Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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 has decided to employ Juniper Education as Internal Auditor.

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

- Governance and Financial Management
- Banking
- Governance and Financial Reporting
- Income
- Assets
- Payroll including Additional Hours
- Governance and Financial Accounting
- Expenditure
- Payroll including Special Payments

STEWARDS ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and the following issues have arisen from their work.

Medium Priority:

- Minutes of the May 2020 Resources Committee meeting record a review of the Academy's Risk Register. However, the register has not been reviewed by the Board of Trustees in the last 12 months.
 - Action: the Risk Register will be added as a standing item to the September Meeting
- The School Business Manager advised that the August 2020 Dear Accounting Officer letter has not been shared with all Members.
 - Action: the letter has now been shared and further Dear Accounting Officers will be shared with all parties concerned (Members, Trustees and the Leadership Team)

Low Priority:

- The School Business Manager advised that contracts information is provided to Trustees as part of the budget, however, the full register is not provided and contracts discussion is not evident in the minutes.
 - Action: A list of all contracts will be presented to trustees at the October Resources Meeting.

For Information:

- Three members of staff are also members of the Resources Committee (H Ginger, P Hickman & A Atkinson).
 - Action: the staff Governors do not have participation rights as part of the Audit Committee, but as a combined Resources and Audit committee they are able to contribute to discussions outside the remit of the Audit Committee.
- The Finance Manager advised that the new Asset Tiger system was implemented in June 2020 so the first review of this system will be in June 2021.
 - Action: the review has been completed.
- Trusts are reminded of section 3.23 of the Academies Financial Handbooks which states that the Trust must submit its annual summary report of the areas reviewed, key findings, recommendations, and conclusions of internal scrutiny to the ESFA by 31 December each year when it submits its audited annual accounts.
 - Action: noted.
- The School Business Manager advised that the Academy has not transacted with any related parties so far during the current financial year.
 - Action: noted

STEWARDS ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on their behalf by:

Mr J Tarling
Chair of Trustees

Mrs H Ginger
Accounting Officer

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stewards Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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

Mrs H Ginger
Accounting Officer

Date: 16 December 2021

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 1 December 2021 and signed on its behalf by:

Mr J Tarling
Chair of Trustees

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the Academy Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy..
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Use of our Report

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

Bishop's Stortford

Hertfordshire

16 December 2021

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 29 August 2018 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 Stewards Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Stewards Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stewards 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 Stewards Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Stewards Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Stewards Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the 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's income and expenditure.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant
Price Bailey LLP

Date: 16 December 2021

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants		-	7,250	575,138	582,388	196,898
Charitable activities	4	162,160	7,561,040	-	7,723,200	7,481,488
Other trading activities	5	10,568	-	-	10,568	235,225
Investments	6	7,789	-	-	7,789	20,474
Total income		<u>180,517</u>	<u>7,568,290</u>	<u>575,138</u>	<u>8,323,945</u>	<u>7,934,085</u>
Expenditure on:						
Charitable activities	7	180,517	7,903,879	575,626	8,660,022	8,562,256
Total expenditure		<u>180,517</u>	<u>7,903,879</u>	<u>575,626</u>	<u>8,660,022</u>	<u>8,562,256</u>
Net income/ (expenditure)		-	(335,589)	(488)	(336,077)	(628,171)
Transfers between funds	17	-	(245,742)	245,742	-	-
Net movement in funds before other recognised gains/(losses)		<u>-</u>	<u>(581,331)</u>	<u>245,254</u>	<u>(336,077)</u>	<u>(628,171)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(388,000)	-	(388,000)	(980,000)
Net movement in funds		<u>-</u>	<u>(969,331)</u>	<u>245,254</u>	<u>(724,077)</u>	<u>(1,608,171)</u>
Reconciliation of funds:						
Total funds brought forward		1,002,466	(6,135,800)	8,407,079	3,273,745	4,881,916
Net movement in funds		-	(969,331)	245,254	(724,077)	(1,608,171)
Total funds carried forward		<u>1,002,466</u>	<u>(7,105,131)</u>	<u>8,652,333</u>	<u>2,549,668</u>	<u>3,273,745</u>

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

The notes on pages 28 to 52 form part of these financial statements.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07770970

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	8,194,173	8,290,717
Current assets			
Debtors	14	784,193	440,573
Investments	15	750,000	750,000
Cash at bank and in hand		1,434,526	1,735,550
		2,968,719	2,926,123
Creditors: amounts falling due within one year	16	(644,224)	(814,095)
Net current assets		2,324,495	2,112,028
Total assets less current liabilities		10,518,668	10,402,745
Net assets excluding pension liability		10,518,668	10,402,745
Defined benefit pension scheme liability	24	(7,969,000)	(7,129,000)
Total net assets		2,549,668	3,273,745
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	8,652,333	8,407,079
Restricted income funds	17	863,869	993,200
Restricted funds excluding pension liability	17	9,516,202	9,400,279
Pension reserve	17	(7,969,000)	(7,129,000)
Total restricted funds	17	1,547,202	2,271,279
Unrestricted income funds	17	1,002,466	1,002,466
Total funds		2,549,668	3,273,745

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue on 01 December 2021 and are signed on their behalf, by:

Mr J Tarling
Chair of Trustees

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(404,869)	101,381
Cash flows from investing activities	20	103,845	(577,536)
Change in cash and cash equivalents in the year		(301,024)	(476,155)
Cash and cash equivalents at the beginning of the year		2,485,550	2,961,705
Cash and cash equivalents at the end of the year	21, 22	<u>2,184,526</u>	<u>2,485,550</u>

The notes on pages 28 to 52 form part of these financial statements

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Stewards Academy Trust meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Academy is a Company limited by guarantee. The Members of the Company are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Academy's registered office is Stewards Academy, Parnall Road, Harlow, Essex, CM18 7NQ.

1.3 Going concern

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

The Academy derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Academy can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Academy were not able to continue as a going concern.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

1.5 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

Long term leasehold buildings	- 22 years straight line
Long term leasehold land	- over the term of the lease
Furniture and equipment	- 5-13 years straight line
Computer equipment	- 3 years straight line

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

1.8 Debtors

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

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

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

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1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1.12 Operating leases

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

1.13 Pensions

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

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

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

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

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

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3. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	7,250	-	7,250	50,034
Capital grants	-	575,138	575,138	146,864
Total 2021	<u>7,250</u>	<u>575,138</u>	<u>582,388</u>	<u>196,898</u>
Total 2020	<u>50,034</u>	<u>146,864</u>	<u>196,898</u>	

In 2020, income from donations was £50,034 of which all was restricted.

In 2020, capital grants of £146,864 were in relation to restricted fixed assets.

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4. Funding for the Academy's provision of education

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,604,762	6,604,762	6,406,744
Other DfE/ESFA grants				
Other DfE / ESFA grants	-	110,019	110,019	46,861
Pupil Premium	-	313,117	313,117	319,270
Teacher pay grant	-	77,946	77,946	77,331
Teacher pension grant	-	220,260	220,260	218,522
	-	-	7,326,104	7,068,728
Other Government grants				
Local Authority grants	-	114,103	114,103	176,704
	-	114,103	114,103	176,704
Catering income	162,160	-	162,160	167,165
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	86,920	86,920	-
Exceptional costs support	-	27,984	27,984	39,647
	-	114,904	114,904	39,647
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	5,929	5,929	29,244
	-	5,929	5,929	29,244
Total 2021	162,160	7,561,040	7,723,200	7,481,488
Total 2020	167,165	7,314,323	7,481,488	

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4. Funding for the Academy's provision of education (continued)

The Trust received £86,920 of funding for catch-up premium and spent £77,008 of this funding in the year.

The funding received for coronavirus exceptional support covers £27,984 (2020 - £39,647) of cleaning and equipment costs. These costs are included in note 8 below as appropriate.

In 2020, income from DFE/ESFA grants was £7,108,375 of which all was restricted (including the ESFA exceptional costs support).

In 2020, income from other Government grants was £176,704 of which all was restricted.

In 2020, income from catering was £167,165 of which all was unrestricted.

In 2020, income from CJRS was £29,244 of which all was restricted.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income	5,014	5,014	53,748
Other income	10,649	10,649	107,670
Swimming (refunds)	(5,095)	(5,095)	73,807
Total 2021	<u>10,568</u>	<u>10,568</u>	<u>235,225</u>
Total 2020	<u>235,225</u>	<u>235,225</u>	

In 2020, all other trading income totalling £235,225 was unrestricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	7,789	7,789	20,474
Total 2020	<u>20,474</u>	<u>20,474</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income (continued)

In 2020, all bank interest income was unrestricted.

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	As reclassified Total 2020 £
Direct costs	5,250,287	123,185	298,621	5,672,093	5,567,954
Support costs	1,432,461	1,091,583	463,885	2,987,929	2,994,302
Total 2021	<u>6,682,748</u>	<u>1,214,768</u>	<u>762,506</u>	<u>8,660,022</u>	<u>8,562,256</u>
Total 2020 as restated	<u>6,463,750</u>	<u>1,315,335</u>	<u>783,171</u>	<u>8,562,256</u>	

In 2021, of total expenditure, £180,517 (2020 - £Nil) was to unrestricted funds, £7,903,879 (2020 - £8,035,544) was to restricted and £575,626 (2020 - £508,712) was to fixed asset restricted funds.

In 2020, direct costs consisted of £5,185,480 staff costs, £93,401 premises costs and £289,073 other costs. Support costs consisted of £1,278,270 staff costs, £1,221,934 premises costs and £494,098 other costs.

8. Charitable Activities

	2021 £	As reclassified 2020 £
Direct costs	5,672,093	5,567,954
Support costs	2,987,929	2,994,302
	<u>8,660,022</u>	<u>8,562,256</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Charitable Activities (continued)

Analysis of support costs

	2021 £	As reclassified 2020 £
Support staff costs	1,432,461	1,278,270
Depreciation	575,626	508,712
Technology costs	87,421	90,108
Premises costs (excluding depreciation)	515,957	713,222
Other support costs	307,009	335,477
Governance costs	4,857	13,305
Legal	64,598	55,208
	<u>2,987,929</u>	<u>2,994,302</u>

9. Net expenditure

Net expenditure for the year includes:

	2021 £	2020 £
Operating lease rentals	16,045	17,129
Depreciation of tangible fixed assets	575,626	508,712
Fees paid to Auditors for:		
- audit	7,600	7,380
- other services	4,735	4,860
	<u>7,600</u>	<u>7,380</u>
	<u>4,735</u>	<u>4,860</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,518,510	4,598,065
Social security costs	457,819	441,286
Pension costs	1,455,199	1,280,566
	<u>6,431,528</u>	<u>6,319,917</u>
Agency staff costs	94,154	143,833
Staff restructuring costs	157,066	-
	<u>6,682,748</u>	<u>6,463,750</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Redundancy payments	157,066	-
	<u>157,066</u>	<u>-</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	64	61
Administration and support	80	103
Management	14	12
	<u>158</u>	<u>176</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	-
	2	-

Redundancy payments are included for three individuals above, pushing them into higher bandings this year only.

d. Key management personnel

The key management personnel of the Academy 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 was £1,339,315 (2020 - £1,274,904).

Included in the above are employer pension contributions of £224,379 (2020 - £223,755) and employer national insurance contributions of £110,161 (2020 - £109,720).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mrs H Ginger, Headteacher	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mr P Hickman	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Ms A Atkinson	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2021, travel and subsistence expenses totalling £127 were reimbursed or paid directly to 2 Trustees (2020 - £359 to 4 Trustees).

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12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	11,525,623	178,525	454,830	12,158,978
Additions	206,390	190,033	82,659	479,082
At 31 August 2021	<u>11,732,013</u>	<u>368,558</u>	<u>537,489</u>	<u>12,638,060</u>
Depreciation				
At 1 September 2020	3,337,855	133,748	396,658	3,868,261
Charge for the year	473,399	45,589	56,638	575,626
At 31 August 2021	<u>3,811,254</u>	<u>179,337</u>	<u>453,296</u>	<u>4,443,887</u>
Net book value				
At 31 August 2021	<u>7,920,759</u>	<u>189,221</u>	<u>84,193</u>	<u>8,194,173</u>
At 31 August 2020	<u>8,187,768</u>	<u>44,777</u>	<u>58,172</u>	<u>8,290,717</u>

14. Debtors

	2021 £	2020 £
Trade debtors	18	323
VAT recoverable	26,970	38,944
Prepayments and accrued income	757,205	401,306
	<u>784,193</u>	<u>440,573</u>

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15. Current asset investments

	2021 £	2020 £
Long term cash investments	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	(1,387)	-
Other taxation and social security	111,643	107,145
Other creditors	518,885	637,811
Accruals and deferred income	15,083	69,139
	<u>644,224</u>	<u>814,095</u>

	2021 £	2020 £
Deferred income at 1 September	69,139	130,954
Resources deferred during the year	15,083	69,139
Amounts released from previous periods	(69,139)	(130,954)
	<u>15,083</u>	<u>69,139</u>

Resources deferred at the year end relate to ESFA funding.

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

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted funds	1,002,466	180,517	(180,517)	-	-	1,002,466
Restricted general funds						
General Annual Grant (GAG)	993,200	6,604,762	(6,498,263)	(245,742)	-	853,957
Educational trips	-	7,250	(7,250)	-	-	-
Other DfE/ESFA grants	-	523,129	(513,217)	-	-	9,912
SEN	-	103,839	(103,839)	-	-	-
Other Government grants	-	16,193	(16,193)	-	-	-
Pupil Premium	-	313,117	(313,117)	-	-	-
Pension reserve	(7,129,000)	-	(452,000)	-	(388,000)	(7,969,000)
	<u>(6,135,800)</u>	<u>7,568,290</u>	<u>(7,903,879)</u>	<u>(245,742)</u>	<u>(388,000)</u>	<u>(7,105,131)</u>
Restricted fixed asset funds						
Fixed asset fund	8,290,717	-	(575,626)	479,082	-	8,194,173
Capital grants	116,362	575,138	-	(233,340)	-	458,160
	<u>8,407,079</u>	<u>575,138</u>	<u>(575,626)</u>	<u>245,742</u>	<u>-</u>	<u>8,652,333</u>
Total Restricted funds	<u>2,271,279</u>	<u>8,143,428</u>	<u>(8,479,505)</u>	<u>-</u>	<u>(388,000)</u>	<u>1,547,202</u>
Total funds	<u><u>3,273,745</u></u>	<u><u>8,323,945</u></u>	<u><u>(8,660,022)</u></u>	<u><u>-</u></u>	<u><u>(388,000)</u></u>	<u><u>2,549,668</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

Unrestricted Funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

The General Annual Grant (GAG) represents the core funding for the educational activities of the School that has been provided to the Academy via the ESFA by the DfE.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Special Educational Needs (SEN)

This represents funding for special educational needs pupils.

Other DfE/ESFA grants

Other DfE/ESFA grants relate to the restricted income received from both the Department for Education and the Education and Skills Funding Agency to assist with the costs of the Academy in relation to specific activities.

Pupil Premium

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various grants received from Government bodies for the provision of specific services to pupils of the Academy.

Educational trips

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

Pension Reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from the Local Authority.

Restricted Fixed Asset Funds

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

Other Capital Grants

This represents a grant received toward a specific building or maintenance project (CIF) or any annual formula capital funding (DFC) received during the year.

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

17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	1,177,612	422,864	-	(598,010)	-	1,002,466
Restricted general funds						
General Annual Grant (GAG)	1,406,749	6,406,744	(6,703,931)	(116,362)	-	993,200
Educational trips	-	50,034	(50,034)	-	-	-
Other DfE/ESFA grants	-	411,605	(411,605)	-	-	-
SEN	-	131,719	(131,719)	-	-	-
Other Government grants	-	44,985	(44,985)	-	-	-
Pupil Premium	-	319,270	(319,270)	-	-	-
Pension reserve	(5,757,000)	-	(392,000)	-	(980,000)	(7,129,000)
	<u>(4,350,251)</u>	<u>7,364,357</u>	<u>(8,053,544)</u>	<u>(116,362)</u>	<u>(980,000)</u>	<u>(6,135,800)</u>
Restricted fixed asset funds						
Fixed asset fund	8,054,555	-	(508,712)	744,874	-	8,290,717
Other capital grants	-	146,864	-	(30,502)	-	116,362
	<u>8,054,555</u>	<u>146,864</u>	<u>(508,712)</u>	<u>714,372</u>	<u>-</u>	<u>8,407,079</u>
Total Restricted funds	<u>3,704,304</u>	<u>7,511,221</u>	<u>(8,562,256)</u>	<u>598,010</u>	<u>(980,000)</u>	<u>2,271,279</u>
Total funds	<u><u>4,881,916</u></u>	<u><u>7,934,085</u></u>	<u><u>(8,562,256)</u></u>	<u><u>-</u></u>	<u><u>(980,000)</u></u>	<u><u>3,273,745</u></u>

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

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	8,194,173	8,194,173
Current assets	1,002,466	1,432,569	533,684	2,968,719
Creditors due within one year	-	(568,700)	(75,524)	(644,224)
Provisions for liabilities and charges	-	(7,969,000)	-	(7,969,000)
Total	<u>1,002,466</u>	<u>(7,105,131)</u>	<u>8,652,333</u>	<u>2,549,668</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	8,290,717	8,290,717
Current assets	1,002,466	1,807,295	116,362	2,926,123
Creditors due within one year	-	(814,095)	-	(814,095)
Provisions for liabilities and charges	-	(7,129,000)	-	(7,129,000)
Total	<u>1,002,466</u>	<u>(6,135,800)</u>	<u>8,407,079</u>	<u>3,273,745</u>

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19. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(336,077)	(628,171)
Adjustments for:		
Depreciation	575,626	508,712
Capital grants from DfE and other capital income	(575,138)	(146,864)
Interest receivable	(7,789)	(20,474)
Defined benefit pension scheme adjustment	452,000	392,000
Increase in debtors	(343,620)	(176,817)
(Decrease)/increase in creditors	(169,871)	172,995
Net cash (used in)/provided by operating activities	(404,869)	101,381

20. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	7,789	20,474
Purchase of tangible fixed assets	(479,082)	(744,874)
Capital grants from DfE Group	575,138	146,864
Net cash provided by/(used in) investing activities	103,845	(577,536)

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	2,184,526	2,485,550
Total cash and cash equivalents	2,184,526	2,485,550

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22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,735,550	(301,024)	1,434,526
Liquid investments	750,000	-	750,000
	<u>2,485,550</u>	<u>(301,024)</u>	<u>2,184,526</u>

23. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Repairs, maintenance or enhancements to land and buildings	<u>456,675</u>	<u>-</u>

24. Pension commitments

The Academy'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 Essex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £112,357 were payable to the schemes at 31 August 2021 (2020 - £117,429) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the year amounted to £652,764 (2020 - £611,002).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £440,000 (2020 - £470,000), of which employer's contributions totalled £353,000 (2020 - £376,000) and employees' contributions totalled £ 87,000 (2020 - £94,000). The agreed contribution rates for future years are 12.3% per cent for employers and 5.5-12.5% per cent for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme liabilities	1.65	1.60

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	21.6	21.9
Females	23.6	23.8
Retiring in 20 years		
Males	22.9	23.3
Females	25.1	25.3

As at the 31 August 2021 the Academy had a pension liability of £7,969,000 (2020 - £7,129,000). The sensitivity analysis detailed below would increase/(decrease) the present value of the total obligation in the following way;

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(362,000)	(303,000)
Discount rate -0.1%	371,000	311,000
Mortality assumption - 1 year increase	598,000	459,000
Mortality assumption - 1 year decrease	(575,000)	(443,000)
CPI rate +0.1%	(326,000)	274,000
CPI rate -0.1%	(318,000)	(267,000)

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24. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	4,461,000	3,329,000
Gilts	176,000	230,000
Corporate bonds	324,000	301,000
Property	486,000	418,000
Cash and other liquid assets	194,000	146,000
Asset backed securities	74,000	624,000
Other	555,000	326,000
Total market value of assets	<u>6,270,000</u>	<u>5,374,000</u>

The actual return on scheme assets was £1,272,000 (2020 - £118,000).

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

	2021 £	2020 £
Current service cost	690,000	(662,000)
Interest income	(89,000)	83,000
Interest cost	200,000	(186,000)
Administrative expenses	(4,000)	3,000
Total amount recognised in the Statement of Financial Activities	<u>797,000</u>	<u>(762,000)</u>

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

	2021 £	2020 £
At 1 September	12,503,000	10,126,000
Current service cost	690,000	662,000
Interest cost	200,000	186,000
Employee contributions	87,000	94,000
Actuarial losses	1,571,000	1,640,000
Benefits paid	(112,000)	(205,000)
At 31 August	<u>14,939,000</u>	<u>12,503,000</u>

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	5,374,000	4,369,000
Interest income	89,000	83,000
Actuarial gains	1,183,000	660,000
Employer contributions	353,000	376,000
Employee contributions	87,000	94,000
Benefits paid	(112,000)	(205,000)
Administration costs	(4,000)	(3,000)
At 31 August	<u>6,970,000</u>	<u>5,374,000</u>

25. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	17,129	12,712
Later than 1 year and not later than 5 years	28,045	273
Later than 5 years	328	-
	<u>45,502</u>	<u>12,985</u>

26. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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27. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no other related party transactions during the year (2020: £Nil).