

Company Registration Number: 07721932 (England & Wales)

EDITH STEIN CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

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EDITH STEIN CATHOLIC ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Rt Rev P Egan
Rev J McGrath
Rev Canon D Golding
Rev Canon M Dennehy
Rev Dr S Morgan
Mr A Hastilow (resigned 6 December 2017)
Dr E M Gray
Cdr M D Evans RN (appointed 6 December 2017)

Trustees

Mrs V Bartolo¹
Dr E R Cluett¹
Mr I C Colley¹
Cdr M D Evans RN¹
Mr C Farrugia (appointed 16 May 2018)⁴
Mr T S A Finch²
Mgr J Garrett (appointed 16 May 2018)¹
Mr A Hastilow¹
Mrs J G Hoar¹
Mrs K M Hulme (resigned 31 July 2018)¹
Mrs S Jankowski (appointed 6 December 2017)⁴
Mr W P Layton³
Mr A F Navato¹
Mr N Parker (appointed 6 December 2017)¹
Mrs T K Pritchard¹
Mr M Quinn²
Mr J Skelton (appointed 16 May 2018)⁴
Mr P E Smith²

¹ Foundation

² Staff

³ Community

⁴ Parent

Company registered number

07721932

Company name

Edith Stein Catholic Academy Trust

Principal and registered office

Oaklands Catholic School and Sixth Form College
Stakes Hill Road
Portsmouth
Hampshire
PO7 7BW

EDITH STEIN CATHOLIC ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary

Mr T S A Finch

Chief executive officer

Mr M Quinn

Senior management team

Mr M Quinn, Headteacher
Mrs J Oldroyd, Deputy Headteacher
Mrs A Howson, Deputy Headteacher
Mrs B Ludlam, Director of Sixth Form
Mr M Bamford, Assistant Headteacher
Mrs S Whyte, Assistant Headteacher
Mr T Finch, Director of Finance and Business

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank
38 London Road
North End
Portsmouth
Hampshire
PO2 0LR

Solicitors

Hampshire Legal Services
Hampshire County Council
E11 South
The Castle
Winchester
Hampshire
SO23 8UJ

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of the Edith Stein Catholic Academy Trust (the Academy) for the year ended 31 August 2018. The trustees confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Oaklands Catholic School and Sixth Form College was established in 1971 by the Diocese of Portsmouth as a voluntary aided, mixed comprehensive school for students from eleven to eighteen years of age to provide a Catholic education to the community and is positioned on a site of a former Convent school in Waterlooville, Hampshire. The large grounds have enabled the school to grow to its current size of 1,370 students housed in 10 buildings with extensive playing fields, tennis courts and sports halls. The school's success is rooted in a strong academic tradition which sits alongside the caring environment which celebrates each student as an individual and seeks to ensure they achieve their full potential developed in the Christian faith and the Catholic tradition. The school is consistent in achieving high levels of attainment by its students both at GCSE and A Level and its reputation means that admissions to year 7 are annually oversubscribed. The Sixth Form is proud to provide a well-rounded post 16 education to both current students and to those applying from other schools post GCSE, as well as international students who spend anything from one to three terms in school. There is a wide range of options available to suit all abilities and interests to prepare students for high quality university education, apprenticeships and careers; developed in the strong pastoral Catholic tradition.

The school is now part of the Edith Stein Catholic Academy Trust, which is a multi-academy trust. This allows other schools to join the trust should they wish to convert to Academy status and the school continues to develop collaborative working practices with its local diocesan schools.

The school remains part of a soft federation of seven secondary schools and an education centre in the Havant area and the governors' remain committed to supporting secondary education in the local community and to primary education via its feeder schools and the wider Catholic family of schools. Governors meet across the federation to discuss common strategic aims.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Trust Company was incorporated on 28 July 2011 and commenced trading on 1 September 2011. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of the Edith Stein Catholic Academy Trust are also known as the directors of the charitable trust company for the purposes of company law and also act as the Local Governing Body. The Charitable Company is known as Oaklands Catholic School and Sixth Form College.

Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

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.

EDITH STEIN CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance through Zurich Municipal Insurance Plc 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 £2,000,000 on any one claim. This provision will continue to be compared against that provided by the Risk Protection Arrangement to ensure Value for Money.

Method of recruitment and appointment or election of trustees

In accordance with the arrangements set out in the Trust's articles and funding agreement, the seven Members of the Trust Company are appointed by the Diocesan Bishop to be responsible for the affairs and management of the Trust. The trustees are the directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation and all appointments are approved by the Diocesan Bishop. Due consideration is given to key skills which Trustees will bring to the Board to ensure the Trust company has access to a broad range of expertise. The Secretary of State may appoint trustees in exceptional circumstances. No appointments were made by the Secretary of State in 2017/18. Trustees may be removed by the person who appointed them. All trustees are appointed for a four year term with the exception of the Headteacher who is entitled to be a Trustee for as long as he or she is Headteacher. Trustees are also required to be elected by the parents of the students attending the Academy, the teaching staff and by the support staff at the Academy. There must be three parent trustees, one teaching staff and one support staff trustee. A ballot will take place where more than one nomination is received during an election process. When a vacancy occurs the trustees will ensure that all appropriate parties are made aware of the election opportunities and the process to be followed. Information given to new and prospective parents via prospectus's and the website actively seeks to recruit new governors.

Policies and procedures adopted for the induction and training of trustees

New trustees/governors are provided with appropriate training. This commences with an induction meeting with the Chair of Governors and Headteacher prior to attending their first meeting. Following this the new trustee/governor is assigned a mentor to provide support and guidance through their first year in position. The Academy will provide training through the Diocese School's Department, the Local Authority Governor Services team and any independent consultants tailored to suit their individual requirements, for example Health and Safety.

Organisational structure

The Academy is governed by the Trustee board which delegates functions as appropriate to the Local Governing Body. Currently the trustees also act as the Local Governing Body of the Academy. The trustees/governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy and support and challenge the Senior Leadership Team in their responsibilities for the day to day management of the organisation. The aim of the management structure is to devolve responsibility, increase accountability and encourage involvement in decision making at the appropriate level. The Headteacher acts as accounting officer and there is a clear structure of delegation detailed in the delegated authorities' document which is reviewed and approved annually.

The Trustees are responsible for maintaining the Catholic ethos of the school, setting statutory policies, compliance with Health and Safety legislation, risk management, adopting an annual budget, monitoring the financial position of the academy by the use of budgets and making significant decisions about the direction of the Academy, and senior staff appointments. The governors are responsible for evaluating/ monitoring the day-to-day operation of the school, setting the strategic direction related to operational matters, reviewing non-statutory policies and the performance of the Headteacher and senior leadership team on a regular basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The senior leadership team for the Edith Stein Catholic Academy Trust are the Headteacher, two deputy Headteachers and three assistant Headteachers, one of which is the Director of Sixth Form Learning, and one Director of Business and Finance.

The Senior Leadership team is responsible for delivering the strategic actions approved by the Trustees, for implementing the policies and setting up and managing the annual development priorities.

The terms of reference for the Board of Trustees, Local Governing Body and associated committees are reviewed and approved on an annual basis. The list of financial delegated authorities forms an appendix to the Finance Policy.

Arrangements for setting pay and remuneration of key management personnel

The Academy considers its key management personnel to be members of the Senior Leadership Team and trustees. The pay and performance targets for the Headteacher are subject to the scrutiny of the Headteacher's Performance Management Panel, which includes an independent panel member not connected with the Academy. The rest of the Senior Leadership Team's pay and performance is subject to scrutiny by the Local Governing Body's Salaries Committee (LGBSC) members who make the decision on the outcome of remuneration following review of performance. They also agree the leadership range for the Deputy and Assistant Headteachers and agree the grade for the Director of Business and Finance using the pay scales adopted by Hampshire County Council. Trustees are not remunerated for their time but have agreed an Expenses Policy to enable them to claim out of pocket expenses in order to fulfil their duties. The school has published pay policies which have been approved by the Trustees and decisions made by the LGBSC are in line with the content of the pay policies.

Trade union facility time

The Academy has no employees who were relevant Union official in the period ending 31st August 2018.

Related parties and other connected charities and organisations

The Havant federation of schools consists of seven secondary schools and a local education centre, which work together to provide education in the local area. As a soft federation the operating policies of each school remain individual and there are no legal obligations between parties. The school works closely with the network of Catholic secondary and primary schools within the Diocese of Portsmouth. The network aims to share policy and procedure to support the Catholic education of students within the Diocese. The school has a service level agreement with the Diocese that provides support on issues of Governance, administration, leadership and management and admissions.

The school is a strategic partner in the Catholic Teaching School Alliance (CTSA) in Aldershot and works with Portsmouth and Chichester Universities, and the Solent School Centred Initial Teacher Training (SCITT); these relationships help advance the recruitment of staff into Oaklands and local schools. The CTSA also focus on talent management and succession planning.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

Objects and aims

The principal object and activity of the charitable company is to provide a Catholic education for students of different abilities between the ages of 11 and 18. In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum. The Trustees of the Academy Trust will ensure that the unique ethos of Catholic education is maintained through an emphasis on the importance of each student as an individual and the need to focus on and promote the spiritual, moral, intellectual, physical, social, personal and cultural development of each young person. The Academy mission statement encompasses the values of catholic education where transmission of the Gospel values is integral to the distinctiveness of the school community and where everyone is encouraged to aspire to high levels of attainment:

- Community: No one gets left behind
- Unity: United by the Cross
- Opportunity: Potential for greatness

The academy welcomes pupils from all backgrounds and the admissions policy ensures that an individual's economic status, gender, ethnicity, race or disability do not form part of our assessment processes. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled.

The Academy is committed to safeguarding and promoting the welfare of our students and expects all staff and volunteers to share this commitment. The last Ofsted inspection reported that the "Staff know how to keep pupils safe" and recognised that staff go "above and beyond to support pupils academically and socially". Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of year reports. Regular contact with parents is maintained throughout the year through informal contacts and through the newsletter and website. A School Council ensures the views of the students are taken seriously and student prefects are involved in assisting senior teaching staff to enforce a vigorous no bullying policy and develop a caring environment throughout the Academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The Academy's main strategy is encompassed in its mission and strategy documents.

The Academy Strategy and Vision document were reviewed by the Trustees in 2013-14 academic year and, following extensive consultation with Governors, staff, students, parents, parishes and neighbouring schools, the published document covering the academic years 2015-18 can be found on the website. The vision is described in six short statements which in turn are supported by a number of key strategic priorities. These will set key measures of performance that will be used to assess progress over the next five years.

These priorities are defined under the following headings:

- Ethos
- Teaching and Learning
- Collaboration
- The Oaklands Team
- Students
- Business

The strategy document builds upon previous strategic aims in the pursuit of excellence.

A School Improvement Plan outlines the strategies that will be undertaken to achieve the academy aims, highlighting the financial implications and delegating responsibility for improvement to senior leaders.

During the period ending 31 August 2018 the priorities have been to:

- Provide an inclusive Christ-centred education at Oaklands based on the mission of the Catholic Church
- Ensure that Oaklands is recognised for setting the highest standards of teaching and learning, where aspirations and achievements are raised for all so that no-one is left behind
- Embrace opportunities to work collaboratively with our family of diocesan schools and other educational and community partners and stakeholders
- Attract, develop and celebrate our team of leaders, teachers, support staff and governors who are committed to our Oaklands ethos
- Ensure Oaklands students grow up as determined, courageous and humble individuals who will embody the gospel values throughout their lives with a deep appreciation of the beauty of God's world around them
- Have as our goal, both now and in the future, an effective and ethical stewardship of all our resources in order to provide a positive and sustainable environment in which to work and learn

Public benefit

Oaklands Catholic School and Sixth Form College provides free education for 11-18 year olds in the Havant, Waterlooville and surrounding area under the DfE Academies programme. Oaklands also provides the only 16-18 education in a Catholic faith environment in the region. In setting the objectives and aims of the Academy the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The Trustees confirm that during the period ending 31 August 2018 they have ensured that all decisions made in the course of discharging their duties have been made with due regard to the Charity Commission's guidance on public benefit and that this Trustee's report confirms how this has been achieved.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Review of activities

The Academy continues to work at drawing its community into a deeper communion with God through a stronger understanding, experience and practice of faith. Oaklands is an inclusive Christian community deeply rooted in the values of the Gospel. All members of the community share the mission and vision of the Academy with a sense of community pride permeating the atmosphere. A number of events and activities have occurred this year to further our Catholic mission:

- The governors appointed a new chaplain to foster the spiritual well-being and Catholic Christian growth of the school community
- Our work with CAFOD continued throughout the year including a full staff retreat day run by CAFOD representatives
- We continued to develop The Romero Award, a national award scheme to recognise Catholic social teaching in our schools.
- Celebration of the Eucharist continues in school. Father Jeremy, Father Gerard and Father Mark have shared the responsibility of celebrating mass in school along with occasional support from other priests in the area.
- An early morning Mass for staff continues to be held in the chapel once a half term. The reserve sacrament is available for members of the Anglican community on the same day at break time.
- The chapel has been extensively used for reconciliations between students – referred to by HOYs where a relationship has broken down to the point of disrupting lessons, involving parents and taking up large amounts of staff time. Conciliation techniques and conflict resolution strategies are used to help students resolve their difficulties and restore the relationship
- The Sixth form induction programme continued with specific input looking at spirituality
- Adoration and contemplative prayer have occurred during the year.
- Advent liturgies and carol services were very successful and were attended by a large section of the local community.
- A programme of events including penitential services and reconciliation was organised for Lent.
- Fundraising for national and local charities in sympathy with the tenants of the Catholic Church continued.
- Teaching masses continue with Year 7 students
- Year 8 students received specific input into the sanctity of the mass
- The school continued with the St John's week project. This concluded with Mass for students and families
- The retreat programme continues with KS4 and KS5 students
- The house system and school councils all continue to develop a sense of community in the school.
- Work continued with staff on developing an understanding of Catholic ethos
- School continued with the use of a specific student Catholic planner, again working with the Redemptorists
- Support was provided for local parish events
- Closer integration has occurred between the school and parishes within the Catholic Denary, for example follow up to confirmation in school

The Academy curriculum continues to develop and respond to changes in the qualifications framework; this has a continuing impact on the curriculum. Various vocational qualifications are no longer on the DfE approved qualification list and have therefore been dropped from the curriculum offer. Triple science has moved from an option into the core programme for students in Sets 1 and Sets 2. Spanish is now available for the most able linguists alongside double Maths. The school continues to offer an extensive range of A level subjects.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

This is the second year of a 3 year programme phasing in the new GCSEs and associated 9-1 grading system, the final round of conversions take place this academic year. The school continued to perform well against national outcomes. KPIs include:

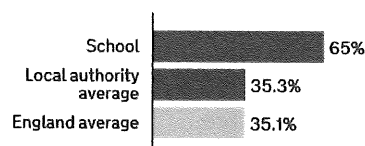
Grade	Subject	Oaklands	National (Provisional)
9-4	English	83%	73%
9-4	Maths	73%	71%
9-4	Science Double	74%	55%
9-4	RE		

Provisional Data based upon DfE statistical information October 2018 for the 17-18 academic year:

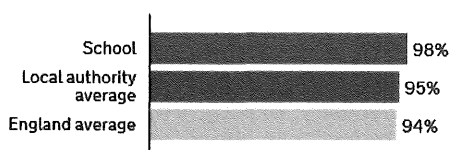
Progress 8 score



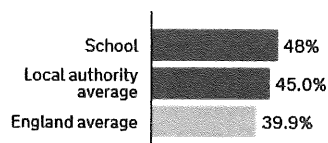
Entering EBacc



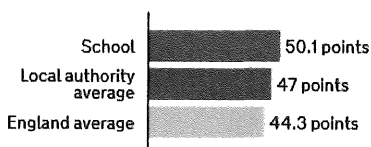
Staying in education or entering employment



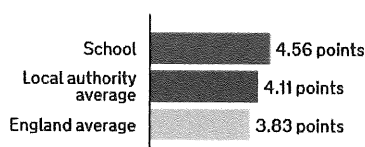
Grade 5 or above in English & maths GCSEs



Attainment 8 score



EBacc average point score¹



*Provisional

Progress 8 Score

Progress 8 measures pupils' progress across the same eight subjects from age 11 to 16, while attainment 8 measures average attainment across those subjects. Progress 8 is based upon a national transition matrix; this changes year on year. The above Progress 8 score indicates the school performs at the average compared to all other schools

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Staying on in Education and employment

This shows the number of pupils who either stayed in education or went into employment after finishing key stage 4 (after year 11, usually aged 16). These figures lag the examination performance by two years, i.e. students who finished year 11 in 2016, which is the most recent data currently available. This figure covers any sustained education or employment destination. Oaklands students Education and employment rate post KS4 is above national

Grade 5 or above in English and maths GCSEs

This shows the percentage of pupils who achieved grade 5 or above in the 2018 English and Maths. GCSEs Oaklands students perform better than national. GCSEs are graded 1 (low) to 9 (high). The external performance measures or 'gold standard' for all schools will soon become 9-5, although this year 9-4 has been widely publicised.

Attainment 8

Attainment is above average compared to all other schools. Over the last few years this has fluctuated and more schools undertake subjects that qualify for the measure. The biggest increase is in the Ebacc element – suggesting this increase is driven largely by the behaviour change in schools with pupils filling more EBacc slots. It is likely that we will see significant variation over time as the remainder of the EBacc subjects reform, with a number of them becoming significantly more complex.

EBacc average point score

The EBacc score is calculated across the 5 subjects, allocating points to a pupil's best grades to create an average point score per pupil. Oaklands performs particularly well in terms of outcome at Ebacc compared to most schools.

Key attainment measures all students – A level

Sixth Form students were again successful at A Level with a 96% success rate and our highest achievers claiming places on some of most competitive degree courses.

100% pass was achieved in many subjects including History, Geography, English, Biology, Physics and Chemistry. 'A s and A*' were awarded in many subjects including Chemistry, Biology, Physics, Maths, English. Many other subjects were equally successful. The school continues to justify its strong reputation at Advanced Level.

At A level any student who secures a pass grade (A* to E) has worked hard for it. This year Oaklands Catholic Sixth Form again celebrated students gaining places at Oxbridge. Students have also secured highly sought after apprenticeships. The results for the 2017/18 academic year are shown below:

Grade	Oaklands 2018	National 2018
A*-A	17%	26%
A*-C	62%	77%
A*-E	96%	98%

Whilst schools are notoriously measured by the statistics of exam success it has to be remembered that achievement and performance in a school is also measured by the outcomes of those students who leave after GCSE to go on to other institution of further education or into training and/or work. Oaklands prides itself in providing an all-round education and giving young people the life skills they need to be successful in whichever path they choose to follow, enabling them to reach their full potential.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Ofsted

The school was last inspected on 24th January 2017. The school was awarded a good judgement under the framework in place at the time. The Governors were very pleased with the outcome, particularly as Ofsted recognised the improvement in teaching and learning since the last inspection. It is also worth noting that we are one of the highest performing state school in Hampshire and Portsmouth by the most testing measures; the EBacc measure. Ofsted also recognised that "in 2016, a higher than average proportion of Year 11 pupils gained good GCSEs. Almost twice the national average obtained a C grade or better in English, Mathematics, science, humanities and language." We are very pleased that the Inspectors acknowledged that "staff know how to keep pupils safe". They also recognised that staff go "above and beyond to support pupils academically and socially". In the Sixth Form, students "recognise the increased level of challenge" and leaders, "focus most stringently on individuals who fall behind". The inspection was carried out under the framework that was introduced in September 2016. With each variation, Ofsted 'raise the bar' compared with previous regimes. This makes it difficult to compare this inspection with any other held under the previous framework, or to make comparisons between schools awarded a similar grade description under previous frameworks. The inspection process did not expose any new issues for the school and the Governing Body. In a school the size and complexity of Oaklands, there is always more to do, and we are getting on with it. In the meantime, there is a great sense of pride in our school where the results speak for themselves and Ofsted recognised that we live our mission which includes the principle "no one gets left behind".

Attendance

School attendance figures have remained consistently high and in the period ending 31 August 2018 attendance was 94.3% which is outstanding and only 0.6% lower than the same as in the period ending 31 August 2017.

Pupil recruitment

The Academy remains popular in the local area and has continued to meet its planned admissions number. For application into Yr 7 starting September 2018 year 402 parents expressed a preference against 232 places. Such was the popularity of the Academy three appeals had to be held. The Academy holds a waiting list for all years. Sixth form recruitment remains strong with a slight decrease in the numbers for the 2018 intake. The table below depicts the trend of student numbers over the past 5 years:

	2014/15	2015/16	2016/17	2017/18	2018/19
Yr 7 – 11 NOR	1120	1139	1139	1133	1136
Sixth Form NOR	260	277	261	238	231

Staff costs

Total staffing costs represent 86.2% (2017: 81.6%) of GAG income, 73.7% (2017: 70.5%) of total income, and 73.4% (2017: 72.5%) of expenditure. The pressures of increased Employer pension contributions, salary rises and above inflation rises in other items of expenditure continue to have a significant impact on the budget. Measures to reduce the number of teaching staff, support staff and other expenditure efficiencies continued to be closely monitored as part of a review of the financial stability plan and through strategic financial planning over the next three years.

Going concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

Summary

Most of the Academy's income is obtained from the Department for Education via the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to the purposes of education. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the SORP, such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Other income is received from parental donations, bank interest and the hire of facilities at the Academy.

During the year ended 31 August 2018 total income was £7,832,385, which is mainly made up of recurrent grant funding from the ESFA. Total expenditure in the year was £7,702,331 and fixed asset additions totalled £134,412. The net reduction in unrestricted and restricted general funds was £4,358.

At 31 August 2018 the net book value of fixed assets was £16,419,752 and the movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

As an academy the school is entitled to bid for funding from the ESFA via the Capital Improvement Fund. During the 2017/18 financial year the academy was successful in its bid for funding to carry out major refurbishment works in Newman Block including compliance, condition and redecorating works to 10 general classrooms, 2 ICT Suites, 2 Food Technology Classrooms and Pupil and Staff toilet Facilities. The Academy also secured a loan through the SALIX Energy Efficiency Fund to fit energy efficient lighting throughout the school as well improve central boiler and local radiator heating controls. Refurbishment work was also undertaken in the summer holidays in classrooms and toilets.

Financial and risk management objectives and policies

In accordance with the funding agreement made between the Department for Education and the Academy, the financial practices and procedures must comply with the Academies Financial Handbook as well as Company Law and SORP (The Statement of Recommended Practice) guidance for Charities. The Academy has produced its own Finance Manual based on this guidance and every member of staff with any financial responsibility is expected to read and adhere to its procedures. The Trustees approve a financial timetable to ensure that a realistic and robust annual budget is set and approved and that a process of budget revision is carried out at regular intervals throughout the financial year. The Director of Business and Finance will ensure monthly monitoring of budgets against actuals takes place and significant variances are reported to Trustees via the Business and Collaboration Committee which meets at least 4 times a year and the Local Governing Body which meets 6 times a year. 3-year budget plans are produced to take into account the key priorities in the academy development plan and the level of surplus to carry forward on an annual basis is discussed and approved by Trustees to ensure it supports the strategic vision. Cash flow analysis is carried out on a monthly basis and monthly cash surpluses are invested to ensure the best return. During the year ended 31st August 2018 the level of interest received from monies on instant access deposit accounts fell short of the level paid for bank charges and the level of return has remained low due to low interest rates on deposits. A scheme of delegated authority ensures decisions are taken at the appropriate level and that expenditure on larger projects is subject to discussion in the appropriate forum.

During the year ended 31 August 2018 the budget forecast had an in-year surplus of £13,309.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. As described in the notes to the Financial Accounts the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the voluntary aided school and new employees who were eligible to, and did, join the scheme since conversion and during the year ended 31 August 2018. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy trust at the balance sheet date. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the balance sheet shows a net liability of £1,238,000.

Reserves policy

Our aim is to use the allocated funding each year for the full benefit of our current students. However, we also consider it necessary to carry forward some reserves to:

- Provide sufficient working capital to cover delays between spending and receipt of grants;
- To invest in future years' priorities for the children of our school, for example capital projects; and have plans in place to maintain reserves over the next three years for this purpose;
- To have a contingency reserve to cover expenditure required for unforeseen circumstances such as urgent maintenance.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2018 was £138,983 which we consider is reasonable to meet the above objectives, noting the aim to expend some of our reserves on capital projects over the next 12 to 24 months.

Investment policy

The Academy bank accounts were transferred from National Westminster Bank to Lloyds Bank during the 2016-17 accounting year. The current account is a low interest bearing account and incurs bank charges on various transactions. The Academy holds £300,000 in a 12-month term deposit account and surplus monies above that level have been transferred to a 30-day notice interest bearing account subject to the cash flow requirements of the academy.

It is the policy of the Trustees to ensure that all surplus cash balances when available are invested to gain additional interest and that all interest gained will be used for the benefit of the students in the provision of education.

Principal risks and uncertainties

The Trustees confirm that the major risks to which the Trust is exposed have been reviewed, in particular relating to ethos, safety, management of resources, delivery of the planned curriculum, IT security and leadership and management of the Academy. Financial risks such as reduction of income due to falling numbers on roll, inadequate cash flow and pension deficit balances are also reviewed along with the academy internal financial procedures which seek to reduce the risk of fraud and ensure compliance with the principles of best value. All risks have been assessed with regard to impact and probability and actions identified to mitigate the risks. Responsibility for these actions are assigned to a member of the Senior Leadership Team and the Committee responsible for finance will review the progress on a half yearly basis and an annual review by the Trustees is carried out prior to the Annual General Meeting.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days and a sponsor a child scheme to pay for children to go to School in Korogocho, Kenya. The Academy Trust raises funds in order to support its own operations and also to make donations to local, national and international charities. Examples of fundraising in the period ending 31st August 2018 included:

- Macmillan Cancer £392
- Rowans Hospice £332
- Save the Children £95
- Read for Good £249
- Genocide Memorial Project £5,436
- Equipment for San Salvador Hospital £3,200
- St John's School, Korogocho, Kenya £10,631

The Academy Trust undertakes all such activities itself, with help of its Staff, Students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public
- No commercial participators are used
- No regularity schemes or standards are applicable
- No complaints were made to the academy trust during the year

Plans for future periods

The continuing changing landscape of funding for education will mean challenging financial implications for the Academy. The implementation of a 'soft' national funding formula along with further unfunded rising costs continues to need careful management. The Governors approved a Financial Stability Plan in 2015 which included the following ongoing priorities:

- Maintain optimum teaching staffing costs in tandem with efficiencies in curriculum delivery and options offered at KS4 and KS5.
- Maintain the optimum number of support staff and external staff whilst retaining the capacity to fulfil legislative driven requirements
- Other non-staff cost reductions and increased income generation
- To secure capital funding for the refurbishment of buildings, giving priority to health and safety issues, insulation and window replacement
- Continue to build on the increase in pupil numbers, as part of the published admission number (PAN) in the Main school and Sixth Form provision to offset funding cuts
- Review of IT infrastructure to maximise efficient utilisation against the changing needs of the curriculum
- A further review of the Financial Stability Plan will be undertaken in 2018/19.

Funds held as custodian trustee on behalf of others

The Academy does not hold any funds as a Custodian Trustee on behalf of others.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors is unaware
- the Trustees have taken all the 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 the Strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2018 and signed on the board's behalf by:



Cdr M D Evans RN
Chair of Trustees

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Edith Stein Catholic 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Cdr M D Evans RN, Chair	4	4
Mr A F Navato, Vice Chair	4	4
Mr I C Colley, Vice Chair	4	4
Mr M Quinn, Headteacher	4	4
Mr A Hastilow	4	4
Mrs V Bartolo	4	4
Mrs J G Hoar	4	4
Mrs K M Hulme	1	4
Mr P E Smith	3	4
Mr T S A Finch	4	4
Mrs T K Pritchard	4	4
Mr W Layton	4	4
Dr E Cluett	3	4
Mrs S Jankowski	3	4
Mr N Parker	3	4
Rev S James (resigned 11.09.17)	0	0
Mgr. J Garratt (appointed 21.03.18)	2	2
Mr C Farrugia (appointed 21.03.18)	2	2
Mr J Skelton (appointed 21.03.18)	2	2

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Local Governing Body (LGB) met seven times during the year. Attendance at LGB meetings during the year was as follows:

Governor	Meetings attended	Out of a possible
Cdr M D Evans RN, Chair of Governors	7	7
Mr A F Navato, Vice Chair	5	7
Mr I C Colley, Vice Chair	4	7
Mr M Quinn, Headteacher	7	7
Mr A Hastilow	6	7
Mrs V Bartolo	7	7
Mrs J G Hoar	7	7
Mrs K M Hulme	3	7
Mr P E Smith	6	7
Mr T S A Finch	7	7
Mrs T K Pritchard	4	7
Mr W Layton	7	7
Dr E Cluett	6	7
Mr N Parker	6	7
Mrs S Jankowski	6	7
Rev S James (resigned 11.09.17)	0	0
Mgr. J Garratt (appointed 01.01.18)	2	4
Mr C Farrugia (appointed 21.03.18)	2	3
Mr J Skelton (appointed 21.03.18)	3	3

The Business and Collaboration committee is a sub-committee of the main board of trustees. Its purpose is to ensure the trust remains compliant with financial regulations, the funding agreement with the ESFA and its associated reporting commitments. The committee will monitor the trust's financial position and plan strategically to support the school development plan. It is responsible for reviewing and approving policies in line with the list of delegated authorities and it also acts as the audit committee to receive feedback from internal auditors. Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Cdr M D Evans RN, Chair of Governors	3	4
Mr I C Colley, Vice Chair	4	4
Mr M Quinn, Headteacher	3	4
Mr A Hastilow	2	4
Mr P E Smith	4	4
Mr T S A Finch	4	4
Mrs T K Pritchard	1	4
Mr W Layton	3	4
Mr N Parker	4	4
Mr J Skelton (appointed 21.03.18)	1	1

EDITH STEIN CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Teaching and Learning committee is a sub-committee of the main board of trustees. Its purpose is to ensure that the trust is staffed appropriately in order to allow the delivery of a broad and balanced curriculum whilst maintaining the Catholic ethos of the education provided. The committee reviews and approves policies in line with the list of delegated authorities. Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr A F Navato, Vice Chair	4	4
Mr M Quinn, Headteacher	4	4
Mrs V Bartolo	4	4
Mrs J G Hoar	4	4
Mrs K M Hulme	0	4
Dr E Cluett	3	4
Mrs S Jankowski	4	4
Rev S James (resigned 11.09.17)	0	0
Mr C Farrugia (appointed 21.03.18)	1	1

The Ethos committee is a sub-committee of the main board of trustees. Its purpose is to ensure that the trust fulfils its obligation to support the strategy and vision of the academy by making significant contribution to the Schools strategy and mission documents and contribute input to the Annual School Development Plan. Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Cdr M D Evans RN, Chair of Governors	3	3
Mr A F Navato, Vice Chair	3	3
Mr I C Colley, Vice Chair	2	3
Mr M Quinn, Headteacher	3	3
Mr A Hastilow	2	3
Mrs V Bartolo	2	3
Mrs J G Hoar	3	3
Mrs K M Hulme	2	3
Mr P E Smith	0	3
Mr T S A Finch	3	3
Mrs T K Pritchard	2	3
Mr W Layton	1	3
Dr E Cluett	3	3
Mr N Parker	2	3
Mrs S Jankowski	2	3
Rev S James (resigned 11.09.17)	0	0
Mgr. J Garratt (appointed 01.01.18)	0	2
Mr C Farrugia (appointed 21.03.18)	1	1
Mr J Skelton (appointed 21.03.18)	1	1

EDITH STEIN CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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

Flexible use of support staff to provide the most cost effective, efficient and professional support to teaching and learning;

Comparing with other similar schools with the use of financial benchmarking data based on ESFA annual returns data;

The investment of cash surpluses in interest bearing accounts to maximise income used to support teaching and learning;

Continually seeking and successfully securing capital funding, bids and grants to support capital works thus releasing revenue income for use to support the changes in curriculum and counter increases in staff costs;

Reviewing the provision of service level agreements including those currently secured through the local authority with a view to reducing costs whilst ensuring consistent delivery of support services to the Academy;

Reducing the use of external providers for training and mentoring support complemented with greater use of webinars to reduce training costs;

Effective use of curriculum and pastoral intervention to ensure students receive the best support in the most cost effective manner;

Minimising over supply of teaching staff against periods required to deliver the curriculum;

Provision of ICT equipment to meet the change in demand as a result of moving away from exams that demand extensive authoring of coursework and controlled assessment; and

Reducing the use of external education and curriculum providers to deliver bespoke packages at Key Stage 4. Securing a SALIX Energy Efficiency Fund loan to pay for energy efficiency lighting throughout the School as well as central boiler controls and local thermostatic radiator valves thereby reducing the amount and overall cost of energy used

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Edith Stein Catholic Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 Business and Collaboration Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hopper Williams & Bell Limited, the external auditors, to perform additional checks.

The reviewer'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:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control / bank reconciliations
- Testing of compliance with the Academies Financial Handbook

On a bi-annual basis, the external auditors report to the board of trustees through the Business and Collaboration Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

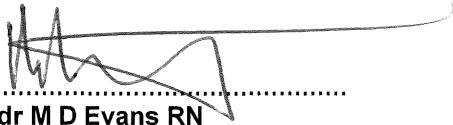
Review of Effectiveness

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 external auditors;
- the financial management and governance self-assessment process;
- 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 Business and Collaboration Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2018 and signed on their behalf, by:



.....
Cdr M D Evans RN
Chair of Trustees



.....
Mr M Quinn
Accounting Officer

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Edith Stein Catholic Academy Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



.....
Mr M Quinn
Accounting Officer

Date: 5 December 2018

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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:

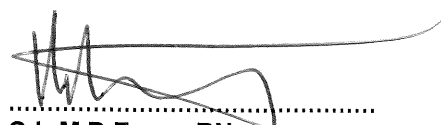
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 5 December 2018 and signed on its behalf by:



.....
Cdr M D Evans RN
Chair of Trustees

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDITH
STEIN CATHOLIC ACADEMY TRUST**

OPINION

We have audited the financial statements of Edith Stein Catholic Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDITH
STEIN CATHOLIC ACADEMY TRUST**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report 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.

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.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EDITH
STEIN CATHOLIC ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

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

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

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.

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

USE OF OUR REPORT

This report is made solely to the Academy'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.

Hopper Williams & Bell Limited

David Brookes FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: *12 December 2014*

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EDITH STEIN
CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Edith Stein Catholic Academy Trust during the year 1 September 2017 to 31 August 2018 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 Edith Stein Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Edith Stein Catholic Academy Trust and the 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 Edith Stein Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF EDITH STEIN CATHOLIC ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Edith Stein Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EDITH STEIN
CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

David Brookes FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date:

12 December 2018

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	9,259	1,228,222	1,237,481	283,138
Charitable activities	3	-	7,797,204	-	7,797,204	7,801,263
Other trading activities	4	23,785	-	-	23,785	19,289
Investments	5	2,137	-	-	2,137	1,166
TOTAL INCOME		25,922	7,806,463	1,228,222	9,060,607	8,104,856
EXPENDITURE ON:						
Charitable activities		-	7,860,331	1,145,066	9,005,397	8,563,172
TOTAL EXPENDITURE	6	-	7,860,331	1,145,066	9,005,397	8,563,172
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	25,922	(53,868)	83,156	55,210	(458,316)
		-	(134,412)	134,412	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		25,922	(188,280)	217,568	55,210	(458,316)
Actuarial gains on defined benefit pension schemes	21	-	363,000	-	363,000	600,000
NET MOVEMENT IN FUNDS		25,922	174,720	217,568	418,210	141,684
RECONCILIATION OF FUNDS:						
Total funds brought forward		113,061	(769,017)	16,605,992	15,950,036	15,808,352
TOTAL FUNDS CARRIED FORWARD		138,983	(594,297)	16,823,560	16,368,246	15,950,036

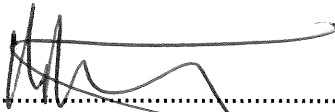
The notes on pages 32 to 54 form part of these financial statements.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07721932

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		16,419,752		16,605,992
CURRENT ASSETS					
Stocks	13	10,316		9,787	
Debtors	14	1,053,581		411,908	
Investments	15	300,000		-	
Cash at bank and in hand		1,445,212		1,104,094	
			<u>2,809,109</u>	<u>1,525,789</u>	
CREDITORS: amounts falling due within one year	16		<u>(1,622,615)</u>	<u>(738,745)</u>	
NET CURRENT ASSETS			<u>1,186,494</u>		<u>787,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,606,246</u>		<u>17,393,036</u>
Defined benefit pension scheme liability	21		<u>(1,238,000)</u>		<u>(1,443,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>16,368,246</u></u>		<u><u>15,950,036</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	643,703		673,983	
Restricted fixed asset funds	17	16,823,560		16,605,992	
Restricted income funds excluding pension liability		17,467,263		17,279,975	
Pension reserve		(1,238,000)		(1,443,000)	
Total restricted income funds			<u>16,229,263</u>		<u>15,836,975</u>
Unrestricted income funds	17		<u>138,983</u>		<u>113,061</u>
TOTAL FUNDS			<u><u>16,368,246</u></u>		<u><u>15,950,036</u></u>

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:


.....
Cdr M D Evans RN
Chair of Trustees

The notes on pages 32 to 54 form part of these financial statements.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>804,539</u>	<u>98,490</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(163,421)</u>	<u>(78,809)</u>
Net cash used in investing activities		<u>(163,421)</u>	<u>(78,809)</u>
Change in cash and cash equivalents in the year		641,118	19,681
Cash and cash equivalents brought forward		<u>1,104,094</u>	<u>1,084,413</u>
Cash and cash equivalents carried forward	20	<u><u>1,745,212</u></u>	<u><u>1,104,094</u></u>

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Edith Stein Catholic Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 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.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Leasehold property	-	Lower of 50 years straight line or length of lease
Furniture and fixtures	-	3 years - straight line
Motor vehicles	-	3 years - straight line
Computer equipment	-	3 years - straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 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.

1.10 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.

1.11 Liabilities and provisions

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. 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 costs 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	9,259	-	9,259	11,145
Capital grants	-	-	1,228,222	1,228,222	271,993
	-	9,259	1,228,222	1,237,481	283,138
<i>Total 2017</i>	-	11,145	271,993	283,138	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,695,491	6,695,491	6,773,371
DfE/ESFA other grants	-	191,362	191,362	176,649
	-	6,886,853	6,886,853	6,950,020
Other government grants				
Local authority grants	-	34,345	34,345	20,712
	-	34,345	34,345	20,712
Other funding				
Trip income	-	264,066	264,066	274,286
Tuition fee income	-	36,156	36,156	29,835
Catering income	-	282,132	282,132	267,567
Other income	-	293,652	293,652	258,843
	-	876,006	876,006	830,531
	-	7,797,204	7,797,204	7,801,263
<i>Total 2017</i>	-	7,801,263	7,801,263	

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Hire of facilities	23,785	-	23,785	19,289
	<u>23,785</u>	<u>-</u>	<u>23,785</u>	<u>19,289</u>
<i>Total 2017</i>	<u>19,289</u>	<u>-</u>	<u>19,289</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Short term deposits	2,137	-	2,137	1,166
	<u>2,137</u>	<u>-</u>	<u>2,137</u>	<u>1,166</u>
<i>Total 2017</i>	<u>1,166</u>	<u>-</u>	<u>1,166</u>	

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	4,582,682	-	1,147,899	5,730,581	5,687,617
Support costs	1,186,434	1,412,814	675,568	3,274,816	2,875,555
	<u>5,769,116</u>	<u>1,412,814</u>	<u>1,823,467</u>	<u>9,005,397</u>	<u>8,563,172</u>
<i>Total 2017</i>	<u>5,524,595</u>	<u>1,222,410</u>	<u>1,816,167</u>	<u>8,563,172</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	175,186	175,186	176,325
Premises costs	1,412,814	1,412,814	1,222,410
Governance costs	12,922	12,922	11,465
Other costs	439,466	439,466	433,990
Wages and salaries	843,710	843,710	742,013
National insurance	59,793	59,793	51,326
Pension cost	282,931	282,931	221,133
Depreciation	47,994	47,994	16,893
	<u>3,274,816</u>	<u>3,274,816</u>	<u>2,875,555</u>
<i>Total 2017</i>	<u>2,875,555</u>	<u>2,875,555</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	349,661	318,560
Auditors' remuneration - audit	7,345	7,180
Auditors' remuneration - other services	5,577	4,285
Operating lease rentals	53,223	37,969
	<u>415,706</u>	<u>387,994</u>

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	<i>2017</i>
	£	£
Wages and salaries	4,493,674	4,353,634
Social security costs	429,568	410,566
Operating costs of defined benefit pension schemes	845,874	760,395
	<u>5,769,116</u>	<u>5,524,595</u>

b. Staff numbers

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

	2018	<i>2017</i>
	No.	No.
Teachers	85	82
Administration and support	102	99
Management	7	7
	<u>194</u>	<u>188</u>

c. Higher paid staff

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

	2018	<i>2017</i>
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £582,451 (2017: £519,807).

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	<i>2017</i>
		£'000	<i>£'000</i>
M Quinn	Remuneration	90-95	<i>90-95</i>
	Pension contributions paid	15-20	<i>15-20</i>
Mr T Finch	Remuneration	45-50	<i>45-50</i>
	Pension contributions paid	5-10	<i>5-10</i>
P E Smith	Remuneration	45-50	<i>45-50</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the year ended 31 August 2018, expenses totalling £1,818 (2017 - £nil) were reimbursed to two Trustees.

11. 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 £2m on any one claim and the cost for the year ended 31 August 2018 was £194 (2017 - £793).

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost				
At 1 September 2017	18,323,500	210,696	203,492	18,737,688
Additions	-	15,892	147,529	163,421
At 31 August 2018	<u>18,323,500</u>	<u>226,588</u>	<u>351,021</u>	<u>18,901,109</u>
Depreciation				
At 1 September 2017	1,810,002	196,416	125,278	2,131,696
Charge for the year	301,667	7,094	40,900	349,661
At 31 August 2018	<u>2,111,669</u>	<u>203,510</u>	<u>166,178</u>	<u>2,481,357</u>
Net book value				
At 31 August 2018	<u><u>16,211,831</u></u>	<u><u>23,078</u></u>	<u><u>184,843</u></u>	<u><u>16,419,752</u></u>
At 31 August 2017	<u><u>16,513,498</u></u>	<u><u>14,280</u></u>	<u><u>78,214</u></u>	<u><u>16,605,992</u></u>

13. STOCKS

	2018 £	2017 £
Educational supplies	6,031	2,834
Catering	4,285	6,953
	<u>10,316</u>	<u>9,787</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	86,265	20,243
Other debtors	1,269	1,271
Prepayments and accrued income	816,025	254,475
Recoverable VAT	150,022	135,919
	<u>1,053,581</u>	<u>411,908</u>

EDITH STEIN CATHOLIC ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Bank deposit accounts	<u>300,000</u>	<u>-</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	495,367	346,256
Other taxation and social security	106,902	108,338
Other creditors	160,072	142,182
Accruals and deferred income	860,274	141,969
	<u>1,622,615</u>	<u>738,745</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	105,506	113,552
Resources deferred during the year	159,662	105,506
Amounts released from previous years	(105,506)	(113,552)
Deferred income at 31 August 2018	<u>159,662</u>	<u>105,506</u>

At the balance sheet date the academy trust was holding funds received in advance for trips relating to the forthcoming academic year.

EDITH STEIN CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	113,061	25,922	-	-	-	138,983
Restricted funds						
General annual grant	-	6,695,491	(6,695,491)	-	-	-
Pupil premium	-	179,272	(179,272)	-	-	-
Other DfE/ESFA grants	-	12,090	(12,090)	-	-	-
Local authority grants	-	34,345	(34,345)	-	-	-
Other educational activities	673,983	885,265	(781,133)	(134,412)	-	643,703
Pension reserve	(1,443,000)	-	(158,000)	-	363,000	(1,238,000)
	<u>(769,017)</u>	<u>7,806,463</u>	<u>(7,860,331)</u>	<u>(134,412)</u>	<u>363,000</u>	<u>(594,297)</u>
Restricted fixed asset funds						
Fixed asset fund	16,605,992	-	(349,661)	163,421	-	16,419,752
ESFA capital grants - DFC	-	29,009	-	(29,009)	-	-
ESFA capital grants - CIF	-	1,199,213	(795,405)	-	-	403,808
	<u>16,605,992</u>	<u>1,228,222</u>	<u>(1,145,066)</u>	<u>134,412</u>	<u>-</u>	<u>16,823,560</u>
Total restricted funds	<u>15,836,975</u>	<u>9,034,685</u>	<u>(9,005,397)</u>	<u>-</u>	<u>363,000</u>	<u>16,229,263</u>
Total of funds	<u><u>15,950,036</u></u>	<u><u>9,060,607</u></u>	<u><u>(9,005,397)</u></u>	<u><u>-</u></u>	<u><u>363,000</u></u>	<u><u>16,368,246</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:

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates;
- pre-16 high need funding;
- post-16 high needs funding.

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

ESFA capital grants

This is money received from the ESFA specifically for expenditure on tangible fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
General funds						
Reserves	92,606	20,455	-	-	-	113,061
	<u>92,606</u>	<u>20,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,061</u>
Restricted funds						
General annual grant	-	6,773,371	(6,773,371)	-	-	-
Pupil premium	-	166,999	(166,999)	-	-	-
Other DfE/ESFA grants	-	9,650	(9,650)	-	-	-
Local authority grants	-	20,712	(20,712)	-	-	-
Other educational activities	364,824	841,676	(471,680)	(60,837)	-	673,983
Pension reserve	(1,870,000)	-	(173,000)	-	600,000	(1,443,000)
	<u>(1,505,176)</u>	<u>7,812,408</u>	<u>(7,615,412)</u>	<u>(60,837)</u>	<u>600,000</u>	<u>(769,017)</u>
Restricted fixed asset funds						
Fixed asset fund	16,845,743	-	(318,560)	78,809	-	16,605,992
ESFA capital grants - DFC	-	29,076	-	(29,076)	-	-
ESFA capital grants - CIF	375,179	242,917	(629,200)	11,104	-	-
	<u>17,220,922</u>	<u>271,993</u>	<u>(947,760)</u>	<u>60,837</u>	<u>-</u>	<u>16,605,992</u>
Total restricted funds	<u>15,715,746</u>	<u>8,084,401</u>	<u>(8,563,172)</u>	<u>-</u>	<u>600,000</u>	<u>15,836,975</u>
Total of funds	<u>15,808,352</u>	<u>8,104,856</u>	<u>(8,563,172)</u>	<u>-</u>	<u>600,000</u>	<u>15,950,036</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	92,606	46,377	-	-	-	138,983
	<u>92,606</u>	<u>46,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,983</u>
Restricted funds						
General annual grant	-	13,468,862	(13,468,862)	-	-	-
Pupil premium	-	346,271	(346,271)	-	-	-
Other DfE/ESFA grants	-	21,740	(21,740)	-	-	-
Local authority grants	-	55,057	(55,057)	-	-	-
Other educational activities	364,824	1,726,941	(1,252,813)	(195,249)	-	643,703
Pension reserve	(1,870,000)	-	(331,000)	-	963,000	(1,238,000)
	<u>(1,505,176)</u>	<u>15,618,871</u>	<u>(15,475,743)</u>	<u>(195,249)</u>	<u>963,000</u>	<u>(594,297)</u>
Restricted fixed asset funds						
Fixed asset fund	16,845,743	-	(668,221)	242,230	-	16,419,752
ESFA capital grants - DFC	-	58,085	-	(58,085)	-	-
ESFA capital grants - CIF	375,179	1,442,130	(1,424,605)	11,104	-	403,808
	<u>17,220,922</u>	<u>1,500,215</u>	<u>(2,092,826)</u>	<u>195,249</u>	<u>-</u>	<u>16,823,560</u>
	<u>15,715,746</u>	<u>17,119,086</u>	<u>(17,568,569)</u>	<u>-</u>	<u>963,000</u>	<u>16,229,263</u>
Total of funds	<u><u>15,808,352</u></u>	<u><u>17,165,463</u></u>	<u><u>(17,568,569)</u></u>	<u><u>-</u></u>	<u><u>963,000</u></u>	<u><u>16,368,246</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	16,419,752	16,419,752
Current assets	138,983	2,266,318	403,808	2,809,109
Creditors due within one year	-	(1,622,615)	-	(1,622,615)
Pension reserve	-	(1,238,000)	-	(1,238,000)
	<u>138,983</u>	<u>(594,297)</u>	<u>16,823,560</u>	<u>16,368,246</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	16,605,992	16,605,992
Current assets	113,061	1,412,728	-	1,525,789
Creditors due within one year	-	(738,745)	-	(738,745)
Pension reserve	-	(1,443,000)	-	(1,443,000)
	<u>113,061</u>	<u>(769,017)</u>	<u>16,605,992</u>	<u>15,950,036</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	55,210	(458,316)
Adjustment for:		
Depreciation charges	349,661	318,560
Increase in stocks	(529)	(696)
(Increase)/decrease in debtors	(641,673)	42,110
Increase in creditors	883,870	23,832
Defined benefit pension scheme cost less contributions payable	158,000	173,000
Net cash provided by operating activities	<u>804,539</u>	<u>98,490</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	973	1,161
Notice deposits (less than 3 months)	1,744,239	1,102,933
Total	<u>1,745,212</u>	<u>1,104,094</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £91,022 were payable to the schemes at 31 August 2018 (2017 - £93,119) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £459,874 (2017 - £500,386).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £265,000 (2017 - £227,000), of which employer's contributions totalled £202,000 (2017 - £172,000) and employees' contributions totalled £63,000 (2017 - £55,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.10 %
Inflation assumption (CPI)	2.10 %	2.10 %

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

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate +0.1%	3,889,000	3,922,000
Discount rate -0.1%	4,051,000	4,104,000
Mortality assumption - 1 year increase	4,088,000	4,139,000
Mortality assumption - 1 year decrease	3,851,000	3,886,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,883,000	<i>1,546,000</i>
Property	203,000	<i>164,000</i>
Government bonds	674,000	<i>626,000</i>
Corporate bonds	35,000	<i>28,000</i>
Cash and other liquid assets	68,000	<i>76,000</i>
Other	83,000	<i>86,000</i>
Total market value of assets	<u>2,946,000</u>	<i><u>2,526,000</u></i>

The actual return on scheme assets was £189,000 (2017 - £205,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	326,000	<i>310,000</i>
Net interest cost	34,000	<i>35,000</i>
Total	<u>360,000</u>	<i><u>345,000</u></i>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	3,969,000	<i>4,012,000</i>
Current service cost	326,000	<i>310,000</i>
Interest cost	100,000	<i>80,000</i>
Employee contributions	63,000	<i>55,000</i>
Actuarial gains	(240,000)	<i>(440,000)</i>
Benefits paid	(34,000)	<i>(48,000)</i>
Closing defined benefit obligation	<u>4,184,000</u>	<i><u>3,969,000</u></i>

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,526,000	2,142,000
Interest income	66,000	45,000
Actuarial losses	123,000	160,000
Employer contributions	202,000	172,000
Employee contributions	63,000	55,000
Benefits paid	(34,000)	(48,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,946,000	2,526,000
	<hr/> <hr/>	<hr/> <hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	51,956	57,705
Between 1 and 5 years	60,221	110,846
After more than 5 years	-	1,331
	<hr/>	<hr/>
Total	112,177	169,882
	<hr/> <hr/>	<hr/> <hr/>

23. 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.

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, close family members of four of the Trustees were employed by the Academy. The total remuneration was £68,016 (2017: £65,288) and pension contributions were £9,897 (2017: £9,223).