
EDITH STEIN CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

EDITH STEIN CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019**

Members

Rt Rev P Egan
Rev J McGrath
Rev Canon D Golding
Rev Canon Michael Dennehy
Rev Dr S Morgan
Cdr M D Evans RN
Dr E M Gray

Trustees

Cdr M D Evans RN, Chair of Trustees¹
Mr A F Navato, Vice Chair¹ (Deceased 06.08.2019)
Mr I C Colley, Vice Chair¹
Mr M Quinn, Headteacher²
Mr A Hastilow¹ (Resigned 03.04.2019)
Mrs V Bartolo¹ (Resigned 31.08.2019)
Mrs J G Hoar¹
Mr P E Smith²
Mr T S A Finch²
Mrs T K Pritchard¹ (Resigned 13.02.2019)
Mr W Layton³
Dr E Cluett¹
Mrs S Jankowski⁴
Mr N Parker⁴
Mgr. J Garratt¹
Mr C Farrugia⁴
Mr J Skelton⁴
Mr A Whitlock² (Appointed 07.05.2019)
Mrs M Brooks³ (Appointed 23.04.2019)

¹ Foundation

² Staff

³ Community

⁴ Parent

Senior Management Team

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

Company Secretary

Mr T S A Finch

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Company registered number

07721932

Principal and registered office

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

Independent Auditor

Wilkins Kennedy Audit Services
Carnac Place
Portsmouth
Fareham
PO16 8UY

Bankers

Lloyds Bank
38 London Road
North End
Portsmouth
PO2 0LR

Solicitors

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

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2019.

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 1,367 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 the number of families selecting a preference for Oaklands remains above the planned admissions number. 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

a. 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 1.

b. 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.

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c. 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 provision that provided by the Risk Protection Arrangement to ensure value for money.

d. 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 2018/19. 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.

e. 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.

f. 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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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.

g. 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.

h. TRADE UNION FACILITY TIME

The Academy has no employees who were relevant Union official in the period ending 31st August 2019.

i. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Havant federation of schools which consists of seven secondary schools and a local education centre that 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.

Objectives and Activities

a. 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

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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 recognized 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.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

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

The Academy Strategy and Vision documents were reviewed by the Trustees in 2013-14 academic year following extensive consultation with Governors, staff, students, parents, parishes and neighbour schools. The document was revised in 2018 and the published document covering the academic years 2018-2021 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.

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During the period ending 31 August 2019 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 recognized 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

c. 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 2019 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.

Strategic report

a. 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

- Our work with CAFOD continued throughout the year including a full staff retreat day run by CAFOD representatives
- Our new chaplain introduced staff mass with a dedicated theme, attendance at these has increased.
- Students are involved in a new initiative called Wednesday Worship.
- 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.
- St John's Week occurred in October. Students engaged in a number of fund raising activities. The St John's fund remains healthy allowing us to support a significant number of students in Kenya
- Towards the end of the autumn term, Year 7 celebrated the Romero Days concluding with the celebration of the Eucharist.

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- The induction programme for Sixth Form included specific input related to spiritual development from Sarah Keogh, she was also able to bring in a number of external speakers.
 - An additional element was added to the Oakland's Way this year, this focusses on Culture and Ethos.
 - Advent saw a specific focus on support for Aid to the Church In Need. Advent liturgies and carol services were very successful and were attend by a large section of the local community.
 - For the first occasion for a number of years a pilgrimage was led to Rome for KS4 students.
 - During February half-term, the Chapel received a wonderful new update by removing the wooden screen. This has opened up the Chapel and the space now feels much bigger, brighter and even more suitable for worship.
 - Ash Wednesday was celebrated in school with two reflective services, during which all staff and students received ashes. Students reflected on what it means for God to be a jealous God; that He's afraid of losing them and calls us to come back to Him.
 - The theme for Lent this year was taken from the Prophet Joel: 'Come back to me with all your heart'. All tutor groups received a Lenten calendar of daily tasks and challenges which focussed on the prayer, fasting and alms giving. There were also many times for Adoration of the Blessed Sacrament during lunchtimes.
 - At the end of March we celebrated the Sacrament of Reconciliation. We were extremely blessed by the presence of several visiting priests. The majority of students in Year 7 and Year 8 took the opportunity to go to confession, with a large number of students from Years 9 - 13 also participating. All the visiting priests commented on how well the students responded and were grateful for the opportunity to celebrate this Sacrament with us in school.
 - Every tutor group in Year 7 have visited the Chapel for morning worship during registration. This is a time of prayer and reflection, including a period of Adoration of the Blessed Sacrament. Every tutor group in Key Stage 3, (and many RE classes in Key Stage 4) have now been introduced to Adoration and student response has been extremely positive.
 - The use of a professional coach with our Chaplain to carry out observations of morning worship during registration time has had a significant impact; the aim of these observations was to allow other tutors to see how prayer is facilitated by others, it was also a good opportunity to facilitate a share in the rich and varied prayer life of the school.
 - Nearly 20 students from Year 10 travelled to the SPEC Centre in North-West London in March to go on a retreat. The students had a varied and engaging programme.
 - The spring term came to a close with our Passion Services. The mood was appropriately sombre and the students extremely sincere.
 - The last half term of the year saw two students (one in Year 9 and one in Year 10) sign up and prepare for the Diocesan pilgrimage to Lourdes. They travelled with the school chaplain and other students and staff from schools across the Diocese at the end of July.

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 remains available for the most able linguists alongside double Maths. The school continues to offer an extensive range of A level subjects.

b. KEY PERFORMANCE INDICATORS

This was the third year of a 3 year programme phasing in the new GCSEs and associated 9-1 grading system. The school continued to perform well against national outcomes

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SUMMARY OF GCSE RESULTS 2019							
Year 11 Pupils	Entered for 5+ GCSEs %	Achieving 5+ A*- C %	Achieving 5+ A*- C incl En Ma (En, MA Grade 4)	Achieving 5+ A*-G	Entered for 1+ GCSE	Achieving 1+ A*-G	Achieving No Passes A*-G
2018	99.0	72.0	69.0	97.3	100	99.6	Nil
2019	99.6	80.6	77	99.6	99.6	99.6	

Progress 8 score



[More score details](#)

Entering EBacc



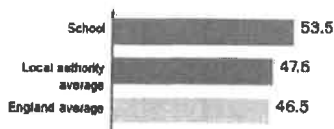
Staying in education or entering employment



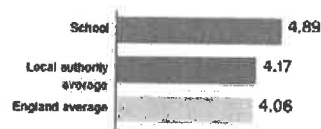
Grade 5 or above in English & maths GCSEs



Attainment 8 score



EBacc average point score



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

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

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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 2019 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 Ebac slots. It is likely that we will see significant variation over time as the remainder of the Ebac 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 96.7% success rate and our highest achievers claiming places on some of most competitive degree courses.

100% pass was achieved in many subjects.

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 2018/19 academic year are shown below:

	Oaklands		National	
	2019	2018	2019	2018
A* - A	22.8	17	25.5	26
A* - C	71.7	62	75.8	77
A* - E	96.5	96	97.6	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.

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

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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".

Section 48 Validation

The school underwent a Section 48 Validation in March 2019. The school was judged to be outstanding across all 4 areas, with an overall Outstanding judgement

- The school as a Catholic Community
- Curriculum Religious Education
- Spiritual and Moral Development
- Leadership and Management

The Validation report stated that the headteacher and his senior team consistently model a professional and authentic approach to Catholic education, which inspires the school community to share a strong sense of purpose, vision and mission. Governors' commitment to the Catholic life of the school is exemplary. Their support and challenge has enabled the school to thrive and grow, united by the cross.

The Validators agreed with the school's self-review and areas for development, which were:

- Provide varied opportunities for parents to attend worship in school and engage with curriculum events that give them a clear understanding of what is taught in RE.
- The RE department should continue to develop and monitor the effectiveness of strategies to improve progress in KS3 and 4.

Attendance

The School attendance figures have remained consistently high and in the period ending 31 August 2019 attendance was at 95.9%, this is in line with the DfE target figure of 95%.

Pupil recruitment

The Academy remains popular in the local area and continues to have more applications than places. For application into Yr 7 starting September 2019 year 367 parents expressed a preference against 232 places. Sixth form recruitment remains challenging with a noticeable decrease in the numbers for the 2019 intake. The table below depicts the trend of student numbers over the past 5 years:

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	2015/16	2016/17	2017/18	2018/19	2019/20
Yr 7 - 11 NOR	1139	1139	1133	1136	1140
Sixth Form NOR	277	261	238	231	186

Staff costs

Total staffing costs represent 93.3% of GAG income, 70.3% of total income and 62.4% 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.

c. 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.

d. FINANCIAL REVIEW

(1) 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 2019 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 period ended 31 August 2019 total income of £7,833,295, which is mainly made up of recurrent grant funding from the ESFA. Total expenditure in the year of £8,053,863 was £220,568 less than the total income received (excluding restricted fixed asset fund and pension reserve).

At 31 August 2019 the net book value of fixed assets was £16,335,631 and the movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the 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 2018/19 financial year the academy was successful in its bid for funding to carry out major compliance and condition refurbishment works in Romero Block including re-roofing, new ventilation, new heating system and refurbishment of sports changing and toilet facilities. Refurbishment work was also undertaken in the Summer holidays in the Sixth Form Communal Study Area, Angelico staff and pupil toilets.

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(2) 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 2019 the level of interest received from monies on notice and 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 2019 the budget forecast had an in year deficit of £69,184.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. As described in note 20 of 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 2019. 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 £2,179,000.

(3) 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 2019 was £153,356 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.

e. 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.

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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.

f. PRINCIPAL RISKS AND UNCERTAINTICS

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.

g. 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 2019 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

h. PLANS FOR FUTURE PERIODS

The continuing changing landscape of funding for education will mean challenging financial implications for the Academy. The trustees remain cautiously optimistic that the recent government announcements regarding increase funding for education will help compensate for the rising costs particularly in salary costs. Whilst the detail is still awaited the trustees remain committed to regularly reviewing its Financial Stability Plan which includes 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

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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 maximize efficient utilization against the changing needs of the curriculum

A further review of the Financial Stability Plan will be undertaken in 2019/20.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

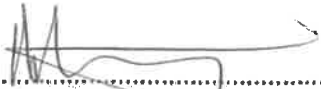
The Academy does not hold any funds as a Custodian Trustee on behalf of others.

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 4 December 2019 and signed on the board's behalf by:



Cdr M D Evans RN
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that the 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 the 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 five 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	5	5
Mr A F Navato, Vice Chair	2	5
Mr I C Colley, Vice Chair	3	5
Mr M Quinn, Headteacher	5	5
Mr A Hastilow (Resigned 03.04.2019)	1	4
Mrs V Bartolo	3	5
Mrs J G Hoar	4	5
Mr P E Smith	4	5
Mr T S A Finch	5	5
Mrs T K Pritchard (Resigned 13.02.2019)	1	2
Mr W Layton	3	5
Dr. E Cluett	2	5
Mrs S Jankowski	3	5
Mr N Parker	4	5
Mgr. J Garratt	0	5
Mr C Farrugia	3	5
Mr J Skelton	4	5
Mr A Whitlock (Appointed 07.05.2019)	2	2
Mrs M Brooks (Appointed 23.04.2019)	0	1

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The Local Governing Body (LGB) met eight times during the year. Attendance at LGB meetings during the period ended 31 August 2017 was as follows:

Governor	Meetings attended	Out of a possible
Cdr M D Evans RN, Chair of Governors	8	8
Mr A F Navato, Vice Chair	4	8
Mr I C Colley, Vice Chair	5	8
Mr M Quinn, Headteacher	8	8
Mr A Hastilow (Resigned 03.04.2019)	3	5
Mrs V Bartolo (Resigned 31.08.2019)	6	8
Mrs J G Hoar	7	8
Mr P E Smith	6	8
Mr T S A Finch	8	8
Mrs T K Pritchard (Resigned 13.02.2019)	3	4
Mr W Layton	7	8
Dr E Cluett	5	8
Mr N Parker	7	8
Mrs S Jankowski	5	8
Mgr. J Garratt	0	8
Mr C Farrugia	5	8
Mr J Skelton	6	8
Mr A Whitlock (Appointed 07.05.2019)	2	2
Mrs M Brooks (Appointed 23.04.2019)	1	2

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	1	5
Mr I C Colley, Vice Chair	4	5
Mr M Quinn, Headteacher	5	5
Mr A Hastilow (Resigned 03.04.2019)	1	4
Mr P E Smith	2	5
Mr T S A Finch	5	5
Mrs T K Pritchard (Resigned 13.02.2019)	3	5
Mr W Layton	4	5
Mr N Parker	3	5
Mr J Skelton	4	5

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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	3	4
Mrs J G Hoar	4	4
Dr E Cluett	2	4
Mrs S Jankowski	3	4
Mr C Farrugia	2	4
Mr A Whitlock (Appointed 07.05.2019)	0	1
Mrs M Brooks (Appointed 23.04.2019)	0	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	0	3
Mr I C Colley, Vice Chair	3	3
Mr M Quinn, Headteacher	2	3
Mr A Hastilow (Resigned 03.04.2019)	2	3
Mrs V Bartolo	3	3
Mrs J G Hoar	3	3
Mr P E Smith	0	3
Mr T S A Finch	3	3
Mrs T K Pritchard (Resigned 13.02.2019)	1	1
Mr W Layton	1	3
Dr E Cluett	3	3
Mr N Parker	3	3
Mrs S Jankowski	0	3
Mgr. J Garratt	0	3
Mr C Farrugia	3	3
Mr J Skelton	3	3
Mr A Whitlock (Appointed 07.05.2019)	0	1
Mrs M Brooks (Appointed 23.04.2019)	1	1

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data

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where available. The accounting officer for the academy trust 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 the 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.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 the Edith Stein Catholic Academy Trust for the period ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Business and Collaboration Committee of reports which indicate

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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 to appoint Wilkins Kennedy Audit Services to act as external auditor, to perform additional checks in accordance with a timetable drawn up by the trustees.

The above role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the period ended 31 August 2019 included:

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

On a termly basis, the auditor reports to the board of trustees, through the Business and Collaboration committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

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:

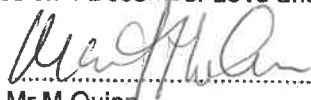
- the work of the external auditor;
- the financial management and governance self-assessment
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 whilst no significant weaknesses have been found the drive for continuous improvement of the systems in place will be maintained.

Approved by order of the members of the board of trustees on 4 December 2019 and signed on its behalf by:


.....
Cdr M D Evans RN

Chair of Trustees


.....
Mr M Quinn

Accounting Officer

EDITH STEIN CATHOLIC ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



4 December 2019

EDITH STEIN CATHOLIC ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Edith Stein Catholic Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 4/12/19..... and signed on its behalf by:



Cdr M Evans
Chair of Trustees

EDITH STEIN CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDITH STEIN CATHOLIC ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Edith Stein Catholic Academy Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the financial statements and our auditor's 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.

EDITH STEIN CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDITH STEIN CATHOLIC ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EDITH STEIN CATHOLIC ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDITH STEIN CATHOLIC ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

Wilkins Kennedy Audit Services

Zara Hogg BA FCA

for and on behalf of Wilkins Kennedy Audit Services

18 December 2019

Statutory Auditor

Carnac Place
Cams Hall Estate
Portsmouth
Fareham
PO16 8UY

EDITH STEIN CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 5 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Edith Stein Catholic Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Edith Stein Catholic Academy Trust and 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 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas of assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

EDITH STEIN CATHOLIC ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services

Dated: *18 December 2019*

EDITH STEIN CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	12,668	941,839	954,507	1,237,481
Charitable activities:						
- Funding for educational operations	4	-	7,792,942	-	7,792,942	7,797,204
Other trading activities	5	22,255	-	-	22,255	23,785
Investments	6	5,430	-	-	5,430	2,137
Total		27,685	7,805,610	941,839	8,775,134	9,060,607
Expenditure on:						
Charitable activities:						
- Educational operations	8	13,312	8,315,551	1,561,375	9,890,238	9,005,397
Total	7	13,312	8,315,551	1,561,375	9,890,238	9,005,397
Net income/(expenditure)		14,373	(509,941)	(619,536)	(1,115,104)	55,210
Transfers between funds	18	-	(146,700)	146,700	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(666,000)	-	(666,000)	363,000
Net movement in funds		14,373	(1,322,641)	(472,836)	(1,781,104)	418,210
Reconciliation of funds						
Total funds brought forward		138,983	(594,297)	16,823,560	16,368,246	15,950,036
Total funds carried forward		153,356	(1,916,938)	16,350,724	14,587,142	16,368,246

EDITH STEIN CATHOLIC ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	9,259	1,228,222	1,237,481
Charitable activities:					
- Funding for educational operations	4	-	7,797,204	-	7,797,204
Other trading activities	5	23,785	-	-	23,785
Investments	6	2,137	-	-	2,137
Total		25,922	7,806,463	1,228,222	9,060,607
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	7,860,331	1,145,066	9,005,397
Total	7	-	7,860,331	1,145,066	9,005,397
Net income/(expenditure)		25,922	(53,868)	83,156	55,210
Transfers between funds	18	-	(134,412)	134,412	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	363,000	-	363,000
Net movement in funds		25,922	174,720	217,568	418,210
Reconciliation of funds					
Total funds brought forward		113,061	(769,017)	16,605,992	15,950,036
Total funds carried forward		138,983	(594,297)	16,823,560	16,368,246

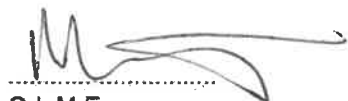
EDITH STEIN CATHOLIC ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		16,335,631		16,419,752
Current assets					
Stocks	13	8,268		10,316	
Debtors	14	673,904		1,053,581	
Cash at bank and in hand		1,267,842		1,745,212	
			1,950,014		2,809,109
Current liabilities					
Creditors: amounts falling due within one year	15	(1,338,525)		(1,622,615)	
Net current assets			611,489		1,186,494
Total assets less current liabilities			16,947,120		17,606,246
Creditors: amounts falling due after more than one year	16		(180,978)		-
Net assets before defined benefit pension scheme liability			16,766,142		17,606,246
Defined benefit pension scheme liability	20		(2,179,000)		(1,238,000)
Total net assets			14,587,142		16,368,246
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			16,350,724		16,823,560
- Restricted income funds			262,062		643,703
- Pension reserve			(2,179,000)		(1,238,000)
Total restricted funds			14,433,786		16,229,263
Unrestricted income funds	18		153,356		138,983
Total funds			14,587,142		16,368,246

The financial statements on pages 28 to 50 were approved by the trustees and authorised for issue on 4/12/19, and are signed on their behalf by:



Cdr M Evans
Chair of Trustees

Company Number 07721932

EDITH STEIN CATHOLIC ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	21	(1,001,629)		(425,820)	
Cash flows from investing activities					
Dividends, interest and rents from investments		5,430		2,137	
Capital grants from DfE Group		(276,310)		-	
Capital funding received from sponsors and others		941,839		1,228,222	
Purchase of tangible fixed assets		(353,532)		(183,421)	
Net cash provided by investing activities		317,427		1,066,938	
Cash flows from financing activities					
Government loan		206,832		-	
Net cash provided by/(used in) financing activities		206,832		-	
Net (decrease)/increase in cash and cash equivalents in the reporting period		(477,370)		641,118	
Cash and cash equivalents at beginning of the year		1,745,212		1,104,094	
Cash and cash equivalents at end of the year		1,267,842		1,745,212	
Relating to:					
Bank and cash balances		967,842		1,445,212	
Short term deposits		300,000		300,000	

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Edith Stein Catholic Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The 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 financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Edith Stein Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

As at 31 August 2019 the Trust has net current assets of £611k and taking into account the Trust's future cash-flow forecast have sufficient funding in place to meet it's liabilities as they fall due.

The Trustees have a reasonable expectation that the funding needs will be met and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Other income

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

IT assets costing £1,200 and Fixtures assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	Lower of 2% straight line or the length of the lease
Computer equipment	33% straight line
Fixtures, fittings & equipment	33% straight line

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

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions benefits

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

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2019. 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

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The Trustees believe that the only critical judgement which is critical to the academy trust's financial statements is regarding going concern as noted in point 1.2 on page 23.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Private sponsorship	-	12,668	12,668	9,259
Capital grants	-	941,839	941,839	1,228,222
	-	954,507	954,507	1,237,481

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,618,836	6,618,836	6,695,491
Other DfE group grants	-	194,439	194,439	191,362
	-	6,813,275	6,813,275	6,886,853
Other government grants				
Local authority grants	-	48,485	48,485	34,345
Other funding				
Other incoming resources	-	931,182	931,182	876,006
Total funding	-	7,792,942	7,792,942	7,797,204

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	22,255	-	22,255	23,785

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6	Investment income	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £	
	Short term deposits	5,430	-	5,430	2,137	
<hr/>						
7	Expenditure	Staff costs £	Non Pay Expenditure Premises Other £ £		Total 2019 £	Total 2018 £
	Academy's educational operations					
	- Direct costs	4,776,796	-	1,308,175	6,084,971	5,730,581
	- Allocated support costs	1,395,282	1,704,421	705,564	3,805,267	3,274,816
		<u>6,172,078</u>	<u>1,704,421</u>	<u>2,013,739</u>	<u>9,890,238</u>	<u>9,005,397</u>
<hr/>						
	Net income/(expenditure) for the year includes:			2019 £	2018 £	
	Fees payable to auditor for:					
	- Audit			6,200	7,345	
	- Other services			5,879	5,577	
	Operating lease rentals			20,570	53,223	
	Depreciation of tangible fixed assets			437,653	349,661	
	Net interest on defined benefit pension liability			32,000	34,000	
<hr/>						
8	Charitable activities	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £	
	Direct costs					
	Educational operations	13,312	6,071,659	6,084,971	5,730,581	
	Support costs					
	Educational operations	-	3,805,267	3,805,267	3,274,816	
		<u>13,312</u>	<u>9,876,926</u>	<u>9,890,238</u>	<u>9,005,397</u>	
<hr/>						

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities (Continued)

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	1,395,282	1,186,434
Depreciation	135,986	47,994
Technology costs	140,298	175,186
Premises costs	1,674,860	1,412,814
Other support costs	446,272	439,466
Governance costs	12,569	12,922
	<u>3,805,267</u>	<u>3,274,816</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	4,700,326	4,493,674
Social security costs	447,414	429,568
Pension costs	1,024,338	845,874
	<u>6,172,078</u>	<u>5,769,116</u>

Non statutory/non-contractual staff severance payments

Included in wages and salaries is a severance payment for one individual totalling £5,000 (2018: £nil).

Staff numbers

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

	2019	2018
	Number	Number
Teachers	85	85
Administration and support	96	102
Management	7	7
	<u>188</u>	<u>194</u>

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
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

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £602,105 (2018: £582,451).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

M Quinn was remunerated between £95,000 - £100,000 (2018: £90,000 - £95,000) and received pension contributions between £15,000 - £20,000 (2018: £15,000 - £20,000).

T Finch was remunerated between £50,000 - £55,000 (2018: £45,000 - £50,000) and received pension contributions between £5,000 - £10,000 (2018: £5,000 - £10,000).

P E Smith was remunerated between £45,000 - £50,000 (2018: £45,000 - £50,000) and received pension contributions between £5,000 - £10,000 (2018: £5,000 - £10,000).

A Whitlock was remunerated between £40,000 - £45,000 and received pension contributions between £5,000 - £10,000.

During the year, expenses totalling £nil (2018: £1,818) were reimbursed to Trustees. (2018: 2 Trustees).

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2m on any one claim and the cost for the year ended 31 August 2019 was £171 (2018: £194). The cost of this insurance is included in the total insurance cost.

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2018	18,323,500	351,021	226,588	18,901,109
Additions	-	91,443	262,089	353,532
Disposals	-	(73,058)	(23,738)	(96,796)
At 31 August 2019	18,323,500	369,406	464,939	19,157,845
Depreciation				
At 1 September 2018	2,111,669	166,178	203,510	2,481,357
On disposals	-	(73,050)	(23,738)	(96,796)
Charge for the year	301,667	85,281	50,705	437,653
At 31 August 2019	2,413,336	178,401	230,477	2,822,214
Net book value				
At 31 August 2019	15,910,164	191,005	234,462	16,335,631
At 31 August 2018	16,211,831	184,843	23,078	16,419,752

13 Stocks

	2019 £	2018 £
Catering stock	4,149	4,285
Educational supplies	4,119	6,031
	8,268	10,316

14 Debtors

	2019 £	2018 £
Trade debtors	80,437	86,265
VAT recoverable	143,149	150,022
Other debtors	1,258	1,269
Prepayments and accrued income	449,060	816,025
	673,904	1,053,581

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year	2019	2018
	£	£
Government loans	25,854	-
Trade creditors	597,878	495,367
Other taxation and social security	110,082	106,902
Other creditors	165,099	160,072
Accruals and deferred income	439,612	860,274
	<u>1,338,525</u>	<u>1,622,615</u>
16 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Government loans	180,978	-
	<u>180,978</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	206,832	-
Less: included in current liabilities	(25,854)	-
	<u>180,978</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	25,854	-
Due in more than one year but not more than two years	51,708	-
Due in more than two years but not more than five years	77,562	-
Due in more than five years	51,708	-
	<u>206,832</u>	<u>-</u>

A loan of £206,832 from Salix Finance Ltd is provided on a 0% interest rate to be paid back in 8 years via a reduction in the GAG payments issued by the ESFA of £12,927 every 6 months starting on 1st September 2019.

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	172,041	159,662
Deferred income at 1 September 2018	159,662	105,506
Released from previous years	(159,662)	(105,506)
Resources deferred in the year	172,041	159,662
Deferred income at 31 August 2019	172,041	159,662

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

18 Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	6,618,836	(6,618,836)	-	-
Other DfE / ESFA grants	-	194,439	(194,439)	-	-
Other government grants	-	48,485	(48,485)	-	-
Other restricted funds	643,703	943,850	(1,178,791)	(146,700)	262,062
Pension reserve	(1,238,000)	-	(275,000)	(666,000)	(2,179,000)
	(594,297)	7,805,610	(8,315,551)	(812,700)	(1,916,938)
Restricted fixed asset funds					
Inherited on conversion	16,419,752	-	(437,653)	146,700	16,128,799
DfE group capital grants	403,808	941,839	(1,123,722)	-	221,925
	16,823,560	941,839	(1,561,375)	146,700	16,350,724
Total restricted funds	16,229,263	8,747,449	(9,876,926)	(666,000)	14,433,786
Unrestricted funds					
General funds	138,983	27,685	(13,312)	-	153,356
Total funds	16,368,246	8,775,134	(9,890,238)	(666,000)	14,587,142

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 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;
- insurance;
- rates;
- pre-16 high need funding;
- post-16 high needs funding.

Other DfE/ESFA grants - pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Other government grants - 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.

DfE group capital grants

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

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	6,695,491	(6,695,491)	-	-
Other DfE / ESFA grants	-	191,362	(191,362)	-	-
Other government grants	-	34,345	(34,345)	-	-
Other restricted funds	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>228,588</u>	<u>(594,297)</u>
Restricted fixed asset funds					
Transfer on conversion	16,605,992	-	(349,661)	163,421	16,419,752
DfE group capital grants	-	1,228,222	(795,405)	(29,009)	403,808
	<u>16,605,992</u>	<u>1,228,222</u>	<u>(1,145,066)</u>	<u>134,412</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>363,000</u>	<u>16,229,263</u>
Unrestricted funds					
General funds	113,061	25,922	-	-	138,983
	<u>113,061</u>	<u>25,922</u>	<u>-</u>	<u>-</u>	<u>138,983</u>
Total funds	<u>15,950,036</u>	<u>9,060,607</u>	<u>(9,005,397)</u>	<u>363,000</u>	<u>16,368,246</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	16,335,631	16,335,631
Current assets	153,356	1,352,769	443,889	1,950,014
Creditors falling due within one year	-	(1,312,671)	(25,854)	(1,338,525)
Creditors falling due after one year	-	-	(180,978)	(180,978)
Defined benefit pension liability	-	(2,179,000)	-	(2,179,000)
Total net assets	<u>153,356</u>	<u>(2,138,902)</u>	<u>16,572,688</u>	<u>14,587,142</u>

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds (Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	16,419,752	16,419,752
Current assets	138,983	2,266,318	403,808	2,809,109
Creditors falling due within one year	-	(1,622,615)	-	(1,622,615)
Defined benefit pension liability	-	(1,238,000)	-	(1,238,000)
Total net assets	138,983	(594,297)	16,823,560	16,368,246

20 Pension and similar obligations

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

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

Contributions amounting to £100k were payable to the schemes at 31 August 2019 (2018: £91k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

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 2016 determined an employer rate of 23.6% payable from September 2019.

The employer's pension costs paid to the TPS in the period amounted to £557k (2018: £ 460k).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

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

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	222,000	202,000
Employees' contributions	64,000	63,000
	<u>286,000</u>	<u>265,000</u>
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.1	2.1
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1
	<u>2.1</u>	<u>2.1</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	23.1	24.1
- Females	25.8	27.2
Retiring in 20 years		
- Males	24.7	26.2
- Females	27.6	29.4
	<u>27.6</u>	<u>29.4</u>

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

	2019 £'000	2018 £'000
Discount rate + 0.1%	112	84
Discount rate - 0.1%	114	86
Mortality assumption + 1 year	188	119
Mortality assumption - 1 year	190	119
CPI rate + 0.1%	85	65
CPI rate - 0.1%	84	64
	<u>84</u>	<u>64</u>

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	2,033,000	1,882,000
Bonds	696,000	710,000
Cash	64,000	68,000
Property	243,000	203,000
Other assets	341,000	83,000
Total market value of assets	3,377,000	2,946,000

The actual return on scheme assets was £183,000 (2018: £189,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	313,000	326,000
Past service cost	152,000	-
Interest income	(86,000)	(66,000)
Interest cost	118,000	100,000
Total operating charge	497,000	360,000

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	4,184,000
Current service cost	313,000
Interest cost	118,000
Employee contributions	64,000
Actuarial loss/(gain)	763,000
Benefits paid	(38,000)
Past service cost	152,000
At 31 August 2019	5,556,000

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20	Pension and similar obligations	(Continued)	
	Changes in the fair value of the academy trust's share of scheme assets		2019
			£
	At 1 September 2018		2,946,000
	Interest income		86,000
	Actuarial gain		97,000
	Employer contributions		222,000
	Employee contributions		64,000
	Benefits paid		(38,000)
			<hr/>
	At 31 August 2019		3,377,000
			<hr/> <hr/>
21	Reconciliation of net (expenditure)/income to net cash flow from operating activities		
		2019	2018
		£	£
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,115,104)	55,210
	Adjusted for:		
	Capital grants from DfE and other capital income	(941,839)	(1,228,222)
	Investment income receivable	(5,430)	(2,137)
	Defined benefit pension costs less contributions payable	243,000	124,000
	Defined benefit pension scheme finance cost	32,000	34,000
	Depreciation of tangible fixed assets	437,653	349,661
	Decrease/(increase) in stocks	2,048	(529)
	Decrease/(increase) in debtors	655,987	(641,673)
	(Decrease)/increase in creditors	(309,944)	883,870
		<hr/>	<hr/>
	Net cash used in operating activities	(1,001,629)	(425,820)
		<hr/> <hr/>	<hr/> <hr/>
22	Commitments under operating leases		
	At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:		
		2019	2018
		£	£
	Amounts due within one year	24,701	51,956
	Amounts due in two and five years	43,235	60,221
		<hr/>	<hr/>
		67,936	112,177
		<hr/> <hr/>	<hr/> <hr/>

EDITH STEIN CATHOLIC ACADEMY TRUST

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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 £87,433 (2018: £88,018) and pension contributions were £10,003 (2018: £9,897).

24 Members' liability

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