

Company Registration Number: 07721932 (England & Wales)

EDITH STEIN CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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

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EDITH STEIN CATHOLIC ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Rt Rev P Egan
Rev J McGrath
Rev Canon D Golding
Rev Canon M Dennehy
Rev Dr S Morgan
Mr A Hastilow
Dr E M Gray

Trustees

Mrs V Bartolo¹
Fr K Bidgood (resigned 31 December 2016)¹
Dr E R Cluett (appointed 19 December 2016)¹
Mr I C Colley¹
Cdre D J R Dickens CBE RN (resigned 7 December 2016)³
Cdr M D Evans RN¹
Mr T S A Finch²
Mr A Hastilow¹
Mrs J G Hoar¹
Mrs K M Hulme¹
Mr W P Layton³
Mr A F Navato¹
Mr P Phillips (resigned 7 December 2016)⁴
Mrs T K Pritchard¹
Mr M Quinn²
Mr P E Smith²

¹ Foundation

² Staff

³ Community

⁴ Parent

Company registered number

07721932

Company name

Edith Stein Catholic Academy Trust

Principal and registered office

St Swithun Wells House
22 Edinburgh Road
Portsmouth
Hampshire
PO1 1DH

EDITH STEIN CATHOLIC ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Company secretary

Mr T S A Finch

Senior management team

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

Independent auditors

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

Bankers

National Westminster Bank plc
North Harbour Business Park
Compass Road
Portsmouth
Hampshire
PO6 4RS

Solicitors

Blake Morgan LLP
New Kings Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3LG

EDITH STEIN CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017. The trustees confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) ("the SORP").

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 1,400 students housed in 10 buildings with extensive playing fields, tennis courts and sports halls. The school's success is rooted in a strong academic tradition which sits alongside the caring environment which celebrates each student as an individual and seeks to ensure they achieve their full potential developed in the Christian faith and the Catholic tradition. The school is consistent in achieving high levels of attainment by its students both at GCSE and A Level and its reputation means that admissions to year 7 are annually oversubscribed. The Sixth Form provision has expanded over recent years and 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 and careers; developed in the strong pastoral Catholic tradition.

The decision to convert from a Voluntary Aided Secondary School to an Academy Trust was taken following a period of consultation and agreement with the Diocese, the local community, staff and parents. The conversion took place on 1st September 2011.

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 name of the trust was changed from The Catholic Academy Trust in Havant in April 2017 as part of the Catholic Diocese of Portsmouth's programme of converting and grouping the publicly-funded schools into 4 Multi-Academy Trusts. This programme has since been postponed indefinitely due to the lower priority given by the Department of Education of the furthering of the academy programme and the financial pressures currently being experienced by 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Structure, governance and management

Constitution

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

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

Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

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.

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 2016/17. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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, 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 and the list of delegated authorities forms an appendix to the Finance Policy.

Arrangements for setting pay and remuneration of key management personnel

Pay for key management personnel is set by the Pay Committee. This includes all members of the Senior Leadership Team who have delegated authority for the day to day running of the school.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Related Parties and other Connected Charities and Organisations

The Havant federation of schools 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; these relationships will help advance the recruitment of staff into Oaklands and local schools. The CTSA will also focus on talent management and succession planning.

Objectives and Activities

Objects and Aims

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

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

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

The Academy is committed to safeguarding and promoting the welfare of our students and expects all staff and volunteers to share this commitment. The last Ofsted inspection reported that the "Staff know how to keep pupils safe" and 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, Strategies and Activities

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

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

These priorities are defined under the following headings:

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

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

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

During the period ending 31 August 2017 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

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 2017 they have ensured that all decisions made in the course of discharging their duties have been made with due regard to the Charity Commission's guidance on public benefit and that this Trustee's report confirms how this has been achieved.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic Report

Achievements and Performance

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.
- We continued to develop The Romero Award, a national award scheme to recognise Catholic social teaching in our schools.
- Celebration of the Eucharist continues in school. Father Jeremy, Father Gerard and Father Mark have shared the responsibility of celebrating mass in school along with occasional support from other priests in the area.
- An early morning Mass for staff continues to be held in the chapel once a half term. The reserve sacrament is available for members of the Anglican community on the same day at break time.
- The chapel has been extensively used for reconciliations between students – referred by HOYs where a relationship has broken down to the point of disrupting lessons, involving parents and taking up large amounts of staff time. Conciliation techniques and conflict resolution strategies are used to help students resolve their difficulties and restore the relationship.
- The Sixth form induction programme continued with specific input looking at spirituality.
- Adoration and contemplative prayer have occurred during the year.
- Advent liturgies and carol services were very successful and were attended by a large section of the local community.
- A programme of events including penitential services and reconciliation was organised for Lent.
- Fundraising for national and local charities in sympathy with the tenants of the Catholic Church continued.
- Youth Alpha course continues and is popular with over 20 students engaging in the programme.
- Teaching masses continue with Year 7 students.
- Year 8 students received specific input into the sanctity of the mass.
- The school continued with the 10:10 evangelisation project for Year 7. This concluded with Mass for students and families.
- The retreat programme continues with KS4 and KS5 students.
- The house system and school councils all continue to develop a sense of community in the school.
- Work continued with staff on developing an understanding of Catholic ethos.
- School continued with the use of a specific student Catholic planner, again working with the Redemptorists.
- Support was provided for local parish events.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Key Attainment measures all students – GCSE

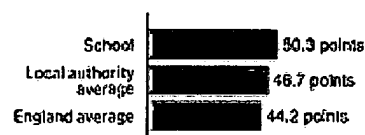
A new secondary school accountability system was implemented for students taking GCSEs in the summer of 2017. Most significantly, GCSEs in English and Maths have been reformed and are now grades 1-9, with 9 being the highest award. The headline accountability measures are now: Attainment 8, Progress 8, Attainment in English and Maths 9-, and English Baccalaureate (EBacc) with the English and Maths components only considered above level 5.

Provisional Data based upon DfE statistical information October 2017 for the 16-17 academic year:

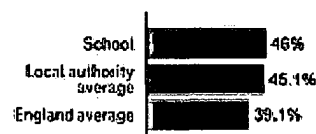
Progress 8 score



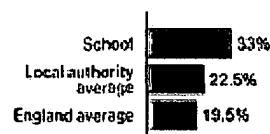
Attainment 8 score



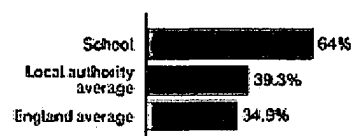
Grade 5 or above in English & maths GCSEs



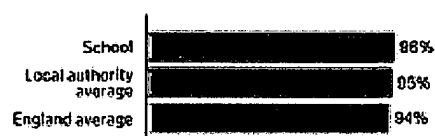
Achieving EBacc at grade 5/C or above



Entering EBacc



Staying in education or entering employment



*Provisional

Progress and progress 8

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 Progress 8 indicators the school performs at the average compared to all other schools

Attainment 8

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

GCSE grades in English and Maths

This statistic tells the reader the percentage of pupils who achieved grade 5 or above in the 2017 reformed English and Maths GCSEs. Oaklands students perform better than national. Reformed GCSEs are graded 1 (low) to 9 (high). Grade 5 in the new grading is a similar level of achievement to a high grade C or low grade B in the old grading. The external performance measures or 'gold standard' for all schools will soon become 9-5, although this year 9-4 has been widely publicised. Oaklands performed at 74% 9-4 compared with 67% nationally. At 9-5 we are in line with national. This is of concern as the cohort's prior attainment was above national.

Ebacc scores

This is the percentage of pupils who achieved the English Baccalaureate (EBacc) at a grade 5 or above in English and maths, and at a grade C or above in sciences, a language, and either history or geography. The English Baccalaureate is not a test or qualification; it is a measure used to provide information about a particular range of qualifications. Oaklands performs particularly well in terms of outcome at Ebacc compared to most schools.

Key attainment measures all students – A level

It was another successful year post 16 school with 99.4% of grades at 'A*' to 'E'. As in previous years, 100% of students achieved at least 1 A level pass. Many students achieved 2 or more 'As' or 'A*'. 100% pass was achieved in many subjects including History, Geography, English, Biology, Physics and Chemistry. 'A*' were awarded in many subjects including Physics, Maths, RE, Law and English. Many other subjects were equally successful. The school continues to justify its strong reputation at Advanced Level.

At A level any student who secures a pass grade (A to E) has worked hard for it. This year Oaklands Catholic comprehensive celebrated the highest number of students gaining places at Oxbridge for over 10 years and many others have secured places on highly competitive courses. Students have also secured highly sought after apprenticeships. The results for the last two years are shown below:

	2017 Oaklands	2017 National
% A*-E	99.4%	98.1%
% A*-B	47%	52%

This year the DfE have introduced a new methodology for calculating post 16 performance. The guidance for the was published in July 2017. The methodology assumes that all students take 3 'A' Levels and uses the census point early in the course to calculate the number of students on a course irrespective of whether they complete or not. Strategic decisions made two years ago on the entry profile of individual students, particularly those completing fewer than three courses now has a detrimental impact on the new measurement matrix.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017



Average result

	Average result	Points
School / college	C	28.39
Hampshire average	C+	31.76
England average	C+	31.79

Percentage of students completing their main study programme

Number of students enrolled to study mainly A levels: 133

School / college	99.2%
Local authority average	95.1%
England average	96.1%

Additional data

	School or college	National average (England)
Achieving AAB or higher in at least 2 facilitating subjects	5.9% (102 students)	17.0%
Grade and points for a student's best 3 A-levels	Grade: C 29.87 points (103 students)	Grade: C+ 34.97 points

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 inspected on 24th January 2017. The school was awarded a good judgement under the current framework. The Governors are very pleased with the outcome, particularly as Ofsted recognised the improvement in teaching and learning since the last inspection. It is also worth noting that we were the second highest performing state school in Hampshire and Portsmouth by the most testing measures; the EBacc measure. Nationally we were in the top 320 schools from over 4,300. For the September 2017 university entry, we have record numbers (52%) of A Level students holding offers from Russell Group Universities, including Oxford and Cambridge. Ofsted also recognised that "in 2016, a higher than average proportion of Year 11 pupils gained good GCSEs. Almost twice the national average obtained a C grade or better in English, Mathematics, science, humanities and language." We are very pleased that the Inspectors acknowledged that "staff know how to keep pupils safe". They also recognised that staff go "above and beyond to support pupils academically and socially". In the Sixth Form, students "recognise the increased level of challenge" and leaders, "focus most stringently on individuals who fall behind". The inspection was carried out under the framework that was introduced in September 2016. With each variation, Ofsted 'raise the bar' compared with previous regimes. This makes it difficult to compare this inspection with any other held under the previous framework, or to make comparisons between schools awarded a similar grade description under previous frameworks. The inspection process did not expose any new issues for the school and the Governing Body. In a school the size and complexity of Oaklands, there is always more to do, and we are getting on with it. In the meantime, there is a great sense of pride in our school where the results speak for themselves and Ofsted recognised that we live our mission which includes the principle "no one gets left behind".

Attendance

School attendance figures have remained consistently high and in the period ending 31 August 2017 attendance was 94.9% which is outstanding and the same as in the period ending 31 August 2016.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Pupil recruitment

The Academy remains popular in the local area and has continued to meet its planned admissions number. For application into Yr 7 starting September 2017 year 401 parents expressed a preference against 232 places. Such was the popularity of the Academy a number of appeals had to be held. The Academy holds a waiting list for all years. Sixth form recruitment remains strong with only a slight decrease in the numbers for the 2017 intake. The table below depicts the steady overall growth in student numbers over the past 5 years:

	2013/14	2014/15	2015/16	2016/17	2017/18
Yr 7 – 11 NOR	1118	1120	1139	1139	1133
Sixth Form NOR	243	260	277	261	238

Staff costs

Total staffing costs represent 81.6% of GAG income, 68.2% of total income and 64.5% of expenditure. The pressures of increased Employer pension contributions, national Insurance contributions and salary rises have had a significant impact on the budget and measures to reduce the number of teaching staff, support staff and other expenditure efficiencies have already been identified as part of the financial stability plan and strategic financial planning over the next three years.

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

Review of Financial Performance and Position

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 2017 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

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

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

During the year ended 31 August 2017 total income was £7,832,863, which is mainly made up of recurrent grant funding from the ESFA. Total expenditure in the year of £7,442,412 was £390,451 less than the total income received (excluding restricted fixed asset fund and pension reserve).

At 31 August 2017 the net book value of fixed assets was £16,605,992 and the movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

As an academy the school is entitled to bid for funding from the ESFA via the Capital Maintenance Funds. During the 2015/16 financial year the academy was successful in its bid for funding to carry out major refurbishment works on Newman Block including re-roofing, recladding and window replacement; this work completed in December 2016. Refurbishment work was also undertaken in the summer holidays in classrooms and staircases.

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. 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 2017 the level of interest received from monies on instant access deposit accounts fell well short of the level paid for bank charges and the level of return has remained very low due to a combination of a lower level of investment as well as 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 2017 the budget forecast had an in year surplus of £357,000.

EDITH STEIN CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. As described in the notes, 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 2017. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy trust at the balance sheet date. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the balance sheet shows a net liability of £1,443,000.

Reserves Policy

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

- Provide sufficient working capital to cover delays between spending and receipt of grants;
- To invest in future years' priorities for the children of our school, for example capital projects; and have plans in place to build on our 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.

It was previously agreed by the Trustees that a higher than normal level of reserves should be maintained to cushion the Academy against the financial impact of the then proposed National Funding Formula and 'top slice' payments to the Multi Academy Trust as part of the Catholic Diocese of Portsmouth Academies Conversion Programme. The negative impact of funding to the Academy of the revised NFF proposal is likely to be far less than the original proposal. In addition, the decision to postpone indefinitely the Catholic Diocese of Portsmouth Academies Conversion Programme means that more funding can now be spent on building refurbishment projects.

The reserves as at 31 August 2017 were as follows:

- Unrestricted (free) reserves of £113,061
- A restricted fixed asset fund of £16,605,992, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,443,000
- Other restricted funds of £673,983
- Total funds of £15,950,036

There is a £1,443,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

The Trustees consider that the level of reserves 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.

EDITH STEIN CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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. Any surplus monies will be transferred to a 30-day notice interest bearing account subject to the cash flow requirements of the academy.

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

Principal Risks and Uncertainties

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

Plans for Future Periods

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

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

In 2016/17 the Academy completed a major external refurbishment including re-roofing, re-cladding and re-fenestration, of one of its three storey teaching blocks. The Governors have also approved an ongoing programme of classroom refurbishment and the upgrade of toilet facilities for both pupils and staff throughout the school.

EDITH STEIN CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2017 and signed on the board's behalf by:



.....
Mr A Hastilow
Chair of Trustees

EDITH STEIN CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

As governors, 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 governing body 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 governing body any material weaknesses or breakdowns in internal control.

Having reviewed the strategy and mission documents the Governors had previously agreed that the structure of the governing body and its committees would be changed to better reflect the strategic aims of the academy. This was the third year that the three newly formed committees to represent Business and Collaboration, Teaching and Learning and Ethos have been in operation.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Hastilow, Chair of Trustees	3	4
Cdr M D Evans RN, Vice Chair	4	4
Mr A F Navato, Vice Chair	3	4
Mr M Quinn, Headteacher	4	4
Mrs V Bartolo	4	4
Fr K P Bidgood (resigned 31.12.16)	2	2
Mr I C Colley	4	4
Cdre D J R Dickens CBE RN (resigned 07.12.16)	1	2
Mrs J G Hoar	4	4
Mrs K M Hulme	3	4
Mr P Phillips (resigned 07.12.16)	2	2
Mr P E Smith	4	4
Mr T S A Finch	4	4
Mrs T K Pritchard	4	4
Mr W Layton	4	4
Dr E Cluett (appointed 19.12.16)	2	2

EDITH STEIN CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The Local Governing Body (LGB) met seven 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
Mr A Hastilow, Chair of the LGB	7	7
Cdr M D Evans RN, Vice Chair	7	7
Mr A F Navato, Vice Chair	6	7
Mr M Quinn, Headteacher	7	7
Mrs V Bartolo	5	7
Fr K P Bidgood (resigned 31.12.16)	3	3
Mr I C Colley	5	7
Cdre D J R Dickens CBE RN (resigned 07.12.16)	1	3
Mrs J G Hoar	7	7
Mrs K M Hulme	5	7
Mr P Phillips (resigned 07.12.16)	3	3
Mr P E Smith	7	7
Mr T S A Finch	7	7
Mrs T K Pritchard	7	7
Mr W Layton	6	7
Dr E Cluett (appointed 19.12.16)	4	4
Mr N Parker (appointed 23.03.17)	2	2
Mrs S Jankowski (appointed 23.03.17)	1	2
Rev S James (appointed 12.01.17–resigned 11.09.17)	1	4

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
Mr A Hastilow, Chair of the LGB	5	5
Cdr M D Evans RN, Vice Chair	5	5
Mr M Quinn, Headteacher	5	5
Mr I C Colley	4	5
Cdre D J R Dickens CBE RN (resigned 07.12.16)	0	2
Mr P E Smith	4	5
Mr T S A Finch	5	5
Mrs T K Pritchard	4	5
Mr W Layton	5	5
Mr N Parker (appointed 23.03.17)	1	1

EDITH STEIN CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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

Governor	Meetings attended	Out of a possible
Mr A F Navato, Vice Chair	3	4
Mr M Quinn, Headteacher	4	4
Mrs V Bartolo	3	4
Mrs J G Hoar	4	4
Mrs K M Hulme	3	4
Mr P Phillips (resigned 07.12.16)	0	2
Dr E Cluett (appointed 19.12.16)	2	2
Mrs S Jankowski (appointed 23.03.17)	1	1
Rev S James (appointed 12.01.17–resigned 11.09.17)	1	2

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
Mr A Hastilow, Chair of the LGB	2	3
Cdr M D Evans RN, Vice Chair	3	3
Mr A F Navato, Vice Chair	2	3
Mr M Quinn, Headteacher	3	3
Mrs V Bartolo	2	3
Fr K P Bidgood (resigned 31.12.16)	0	1
Mr I C Colley	1	3
Cdre D J R Dickens CBE RN (resigned 07.12.16)	0	1
Mrs J G Hoar	3	3
Mrs K M Hulme	1	3
Mr P Phillips (resigned 07.12.16)	1	1
Mr P E Smith	0	3
Mr T S A Finch	3	3
Mrs T K Pritchard	3	3
Mr W Layton	0	3
Dr E Cluett (appointed 19.12.16)	0	2
Mr N Parker (appointed 23.03.17)	0	1
Mrs S Jankowski (appointed 23.03.17)	0	1
Rev S James (appointed 12.01.17–resigned 11.09.17)	0	2

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GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

1. Flexible use of support staff to provide the most cost effective, efficient and professional support to the teaching and learning;
2. Comparing with other similar schools with the use of financial benchmarking data based on ESFA annual returns data;
3. The investment of cash surpluses in interest bearing accounts to maximise income used to support teaching and learning;
4. 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;
5. 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;
6. Reducing the use of external providers for training and mentoring support complemented with greater use of webinars to reduce training costs;
7. Effective use of curriculum and pastoral intervention to ensure students receive the best support in the most cost effective manner;
8. Minimising over supply of teaching staff against periods required to deliver the curriculum;
9. 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
10. 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Edith Stein Catholic Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

EDITH STEIN CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2016 to 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's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Business and Collaboration Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees has re-considered the need for a specific internal audit function and has decided to continue to appoint Hopper Williams & Bell Limited to perform additional checks in accordance with a timetable drawn up by the trustees.

During the year ended 31 August 2017 the following internal checks were carried out by Hopper Williams & Bell Limited and a report presented to the trustees. The details and outcomes of these checks are as follows:

Date	Scope	Outcome	Actions	Completed?
9.3.17	Governance Arrangements	The disclosure of governance arrangements on the academy's website is not up to date for all trustees and members, and does not include all of the required information as per the Financial Handbook (2.5.2). It should be reviewed and updated as necessary.	These details have been updated and will continue to be updated throughout the year	Y
	Dear 'Accounting Officer' letters	The ESFA 'Dear Accounting Officer' letters have not been circulated to the full Governing Body. The letters should be shared with trustees and the senior management team, in line with recommendations.	These letters have now been shared with the Governing Body and will be recorded as such in future minutes.	Y

EDITH STEIN CATHOLIC ACADEMY TRUST**(A company limited by guarantee)****GOVERNANCE STATEMENT (continued)**

Date	Scope	Outcome	Actions	Completed?
9.3.17	Pupil premium Statement	The pupil premium statement should give details in respect of the current year. The published statement only includes details in respect of the prior year. The school should consider updating the disclosure.	The Pupil Premium statement is updated each November and future reports will show projected expenditure for the current as well as previous year.	Y
	VAT	The VAT control account included an unreconciled balance of £1,451 in respect of which VAT has not been claimed. The balance should be reconciled and VAT reclaimed as necessary.	VAT has now been reconciled and will continue to be reconciled on a monthly basis.	Y
	Reserves	There was a difference of £3,378 between reserves per the financial statements and per the nominal ledger. A correcting journal should be posted.	This will be completed as part of the end of year audit process.	Y
26.7.17	Authorisation of purchases	The items of expenditure sampled had been correctly treated, apart from one invoice where the purchase order (reference POIN164) had been misplaced by the budget holder, so not all purchases had been appropriately authorised. The trust should ensure that all purchase orders are authorised and are attached to invoices.	The purchase order process will be re-enforced with staff	Y

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

GOVERNANCE STATEMENT (continued)

Date	Scope	Outcome	Actions	Completed?
26.7.17	Bank reconciliations	Bank reconciliations were reviewed and differences arose for all months tested. This is due to the transition between the old and new versions of the PSF software. We note that the recurring difference (£352.28) is equal to the difference on the trial balance at 31 May 2017. Bank balances are therefore overstated in the nominal ledger. The trust should liaise with PS Financials to resolve this technical issue.	This issue has now been resolved with PS Financials.	Y
	Reserves	Reserves per the nominal ledger (£15,682,633) were not in agreement with the prior year's financial statements (£15,808,352). The difference (£125,719) has in part arisen due to the reclassification in error of Nat West and Lloyds governors' bank accounts (£127,971). Reserves are misstated in the nominal ledger and a correcting journal should be posted.	This will be completed as part of the end of year audit process.	Y
	Chart of Accounts	Two balance sheet nominal codes (Cyclescheme Salary Loans (OAK9333) and Fundraising for Charities (OAK9512) have been set up as "trading" balances. The balances will be incorrectly cleared down when running the year-end procedure. The trust should liaise with PS Financials to ensure that the nominal codes are correctly set up.	This issue has now been resolved with PS Financials.	Y

EDITH STEIN CATHOLIC ACADEMY TRUST

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GOVERNANCE STATEMENT (continued)

Date	Scope	Outcome	Actions	Completed?
26.7.17	Pupil Premium	The trust's disclosure of pupil premium funding and expenditure is not up to date. The trust may not be meeting its statutory requirements and should review its funding agreement to determine what is required to be published, and have regard to DfE recommendations.	The Pupil Premium statement is updated each November and future reports will show projected expenditure for the current as well as previous year.	Y
	Accounts Payable	All control accounts were reviewed. All balances were reconciled, apart from a minor difference in relation to trade creditors (£19.50) which appears to be an issue arising from the transfer between PSF versions. The trust should liaise with PS Financials to resolve this technical issue.	This issue has now been resolved with PS Financials.	Y


Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 6 December 2017 and signed on their behalf, by:


.....
Mr A Hastilow
Chair of Trustees


.....
Mr M Quinn
Accounting Officer

EDITH STEIN CATHOLIC ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Edith Stein Catholic Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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


Mr M Quinn
Accounting Officer

Date: 6 December 2017

EDITH STEIN CATHOLIC ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Edith Stein Catholic Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2017 and signed on its behalf by:



Mr A Hastilow
Chair of Trustees

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

OPINION

We have audited the financial statements of Edith Stein Catholic Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy's or to cease operations, 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Hopper Williams & Bell Limited

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

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date:

13 December 2017

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

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Edith Stein Catholic Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Edith Stein Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Edith Stein Catholic Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Edith Stein Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Edith Stein Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

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

Substantive testing included the following procedures:

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

David Brookes FCA

Hopper Williams & Bell Limited

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

Date: *12 December 2017*

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	11,145	271,993	283,138	471,408
Charitable activities	3	-	7,801,263	-	7,801,263	7,568,834
Other trading activities	4	19,289	-	-	19,289	16,625
Investments	5	1,166	-	-	1,166	1,326
TOTAL INCOME		20,455	7,812,408	271,993	8,104,856	8,058,193
EXPENDITURE ON:						
Charitable activities		-	7,615,412	947,760	8,563,172	7,661,399
TOTAL EXPENDITURE	6	-	7,615,412	947,760	8,563,172	7,661,399
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		20,455	196,996	(675,767)	(458,316)	396,794
Transfers between Funds	16	-	(60,837)	60,837	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		20,455	136,159	(614,930)	(458,316)	396,794
Actuarial gains/(losses) on defined benefit pension schemes	20	-	600,000	-	600,000	(986,000)
NET MOVEMENT IN FUNDS		20,455	736,159	(614,930)	141,684	(589,206)
RECONCILIATION OF FUNDS:						
Total funds brought forward		92,606	(1,505,176)	17,220,922	15,808,352	16,397,558
TOTAL FUNDS CARRIED FORWARD		113,061	(769,017)	16,605,992	15,950,036	15,808,352

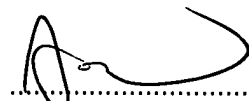
The notes on pages 35 to 55 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		16,605,992		16,845,743
CURRENT ASSETS					
Stocks	13	9,787		9,091	
Debtors	14	411,908		454,018	
Cash at bank and in hand		1,104,094		1,084,413	
		<u>1,525,789</u>		<u>1,547,522</u>	
CREDITORS: amounts falling due within one year	15	(738,745)		(714,913)	
NET CURRENT ASSETS			<u>787,044</u>		<u>832,609</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,393,036</u>		<u>17,678,352</u>
Defined benefit pension scheme liability	20	(1,443,000)		(1,870,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,950,036</u></u>		<u><u>15,808,352</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	673,983		364,824	
Restricted fixed asset funds	16	16,605,992		17,220,922	
Restricted income funds excluding pension liability		<u>17,279,975</u>		<u>17,585,746</u>	
Pension reserve		<u>(1,443,000)</u>		<u>(1,870,000)</u>	
Total restricted income funds			<u>15,836,975</u>		<u>15,715,746</u>
Unrestricted income funds	16		<u>113,061</u>		<u>92,606</u>
TOTAL FUNDS			<u><u>15,950,036</u></u>		<u><u>15,808,352</u></u>

The financial statements on pages 32 to 55 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



A Hastilow
 Chair of Trustees

The notes on pages 35 to 55 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>98,490</u>	<u>745,357</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(78,809)</u>	<u>(27,154)</u>
Net cash used in investing activities		<u>(78,809)</u>	<u>(27,154)</u>
Change in cash and cash equivalents in the year		19,681	718,203
Cash and cash equivalents brought forward		<u>1,084,413</u>	<u>366,210</u>
Cash and cash equivalents carried forward	19	<u><u>1,104,094</u></u>	<u><u>1,084,413</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Long-term leasehold land	-	Not provided
Long-term leasehold property	-	Lower of 50 years straight line or length of lease
Fixtures and fittings	-	3 years - straight line
Computer equipment	-	3 years - straight line

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

1.8 Stocks and work in progress

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 Taxation

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	11,145	-	11,145	22,125
Capital grants	-	-	271,993	271,993	449,283
	-	11,145	271,993	283,138	471,408
<i>Total 2016</i>	-	22,125	449,283	471,408	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,773,371	6,773,371	6,596,448
DfE/ESFA other grants	-	176,649	176,649	160,939
	-	6,950,020	6,950,020	6,757,387
Other government grants				
Local authority grants	-	20,712	20,712	16,797
	-	20,712	20,712	16,797
Other funding				
Trip income	-	274,286	274,286	295,257
Tuition fee income	-	29,835	29,835	31,247
Catering income	-	267,567	267,567	245,319
Other income	-	258,843	258,843	222,827
	-	830,531	830,531	794,650
	-	7,801,263	7,801,263	7,568,834
<i>Total 2016</i>	-	7,568,834	7,568,834	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	19,289	-	19,289	16,625
<i>Total 2016</i>	16,625	-	16,625	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	1,166	-	1,166	1,326
<i>Total 2016</i>	1,326	-	1,326	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	4,510,123	-	1,177,494	5,687,617	5,723,721
Support costs	1,014,472	1,222,410	638,673	2,875,555	1,937,678
	<u>5,524,595</u>	<u>1,222,410</u>	<u>1,816,167</u>	<u>8,563,172</u>	<u>7,661,399</u>
Total 2016	<u>5,400,688</u>	<u>489,608</u>	<u>1,771,103</u>	<u>7,661,399</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2017 £	Total 2016 £
Technology costs	176,325	176,325	95,079
Premises costs	1,222,410	1,222,410	489,608
Governance costs	11,465	11,465	13,349
Other costs	433,990	433,990	411,905
Wages and salaries	742,013	742,013	712,695
National insurance	51,326	51,326	42,302
Pension cost	221,133	221,133	144,093
Depreciation	16,893	16,893	28,647
	<u>2,875,555</u>	<u>2,875,555</u>	<u>1,937,678</u>
At 31 August 2016	<u>1,937,678</u>	<u>1,937,678</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	318,560	330,314
Auditors' remuneration - audit	7,180	6,970
Auditors' remuneration - other services	4,285	4,575
Operating lease rentals	<u>37,969</u>	<u>85,998</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,353,634	4,349,854
Social security costs	407,901	360,049
Operating costs of defined benefit pension schemes	760,395	690,785
	<u>5,521,930</u>	<u>5,400,688</u>
Apprenticeship levy	2,665	-
	<u>5,524,595</u>	<u>5,400,688</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £nil (2016: £376).

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

	2017 No.	2016 No.
Teachers	82	78
Administration and support	99	92
Management	7	7
	<u>188</u>	<u>177</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	1

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £519,807 (2016: £539,130).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£'000	£'000
M Quinn	Remuneration	90-95	90-95
	Pension contributions paid	15-20	15-20
P E Smith	Remuneration	45-50	40-45
	Pension contributions paid	5-10	5-10
Mr B Shaw	Remuneration	-	45-50
	Pension contributions paid	-	5-10
Mr T Finch	Remuneration	45-50	45-50
	Pension contributions paid	5-10	5-10

No Trustees received any reimbursement of expenses during either the current or the prior year.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2m on any one claim and the cost for the year ended 31 August 2017 was £793 (2016 - £868).

EDITH STEIN CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	18,323,500	194,706	140,673	18,658,879
Additions	-	15,990	62,819	78,809
At 31 August 2017	18,323,500	210,696	203,492	18,737,688
Depreciation				
At 1 September 2016	1,508,335	194,334	110,467	1,813,136
Charge for the year	301,667	2,082	14,811	318,560
At 31 August 2017	1,810,002	196,416	125,278	2,131,696
Net book value				
At 31 August 2017	16,513,498	14,280	78,214	16,605,992
At 31 August 2016	16,815,165	372	30,206	16,845,743

13. STOCKS

	2017 £	2016 £
Educational supplies	2,834	3,295
Catering	6,953	5,796
	<u>9,787</u>	<u>9,091</u>

14. DEBTORS

	2017 £	2016 £
Trade debtors	20,243	3,255
Other debtors	1,271	609
Prepayments and accrued income	254,475	344,069
Recoverable VAT	135,919	106,085
	<u>411,908</u>	<u>454,018</u>

EDITH STEIN CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	346,256	316,378
Other taxation and social security	108,338	99,881
Other creditors	142,182	131,525
Accruals and deferred income	141,969	167,129
	<u>738,745</u>	<u>714,913</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	113,552	95,746
Resources deferred during the year	105,506	113,552
Amounts released from previous years	(113,552)	(95,746)
Deferred income at 31 August 2017	<u>105,506</u>	<u>113,552</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS (continued)

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

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015	Income	Expenditure	Transfers in/out	Gains/(Losses)	Balance at 31 August 2016
Unrestricted funds						
Reserves	74,655	17,951	-	-	-	92,606
	<u>74,655</u>	<u>17,951</u>				<u>92,606</u>
Restricted funds						
General annual grant	-	6,596,448	(6,596,448)	-	-	-
Pupil premium	-	154,059	(154,059)	-	-	-
Other DfE/ESFA grants	-	6,880	(6,880)	-	-	-
Local authority grants	-	16,797	(16,797)	-	-	-
Other educational activities	-	816,775	(498,901)	46,950	-	364,824
Pension reserve	(826,000)	-	(58,000)	-	-	(1,870,000)
	<u>(826,000)</u>	<u>7,590,959</u>	<u>(7,331,085)</u>	<u>46,950</u>	<u>(986,000)</u>	<u>(1,505,176)</u>
Restricted fixed asset funds						
Fixed asset fund	17,148,903	-	(330,314)	27,154	-	16,845,743
ESFA capital grants - DfE	-	28,711	-	(28,711)	-	-
ESFA capital grants - CIF	-	420,572	-	(45,393)	-	375,179
	<u>17,148,903</u>	<u>449,283</u>	<u>(330,314)</u>	<u>(46,950)</u>		<u>17,220,922</u>
Total restricted funds	<u>16,322,903</u>	<u>8,040,242</u>	<u>(7,661,399)</u>		<u>(986,000)</u>	<u>15,715,746</u>
Total of funds	<u>16,397,558</u>	<u>8,058,193</u>	<u>(7,661,399)</u>		<u>(986,000)</u>	<u>15,808,352</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS

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

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

Contributions amounting to £93,119 were payable to the schemes at 31 August 2017 (2016 - £88,659) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Reserves	74,655	17,951	-	-	-	92,606
	<u>74,655</u>	<u>17,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,606</u>
Restricted funds						
	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
General annual grant	-	6,596,448	(6,596,448)	-	-	-
Pupil premium	-	154,059	(154,059)	-	-	-
Other DfE/ESFA grants	-	6,880	(6,880)	-	-	-
Local authority grants	-	16,797	(16,797)	-	-	-
Other educational activities	-	816,775	(498,901)	46,950	-	364,824
Pension reserve	(826,000)	-	(58,000)	-	(986,000)	(1,870,000)
	<u>(826,000)</u>	<u>7,590,959</u>	<u>(7,331,085)</u>	<u>46,950</u>	<u>(986,000)</u>	<u>(1,505,176)</u>
Restricted fixed asset funds						
	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Fixed asset fund	17,148,903	-	(330,314)	27,154	-	16,845,743
ESFA capital grants - DFC	-	28,711	-	(28,711)	-	-
ESFA capital grants - CIF	-	420,572	-	(45,393)	-	375,179
	<u>17,148,903</u>	<u>449,283</u>	<u>(330,314)</u>	<u>(46,950)</u>	<u>-</u>	<u>17,220,922</u>
Total restricted funds	<u>16,322,903</u>	<u>8,040,242</u>	<u>(7,661,399)</u>	<u>-</u>	<u>(986,000)</u>	<u>15,715,746</u>
Total of funds	<u>16,397,558</u>	<u>8,058,193</u>	<u>(7,661,399)</u>	<u>-</u>	<u>(986,000)</u>	<u>15,808,352</u>

EDITH STEIN CATHOLIC ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

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

General annual grant

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

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

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

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

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

Fixed asset fund

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

ESFA capital grants

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

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**NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	16,845,743	16,845,743
Current assets	92,606	1,079,737	375,179	1,547,522
Creditors due within one year	-	(714,913)	-	(714,913)
Provisions for liabilities and charges	-	(1,870,000)	-	(1,870,000)
	<u>92,606</u>	<u>(1,505,176)</u>	<u>17,220,922</u>	<u>15,808,352</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(458,316)	396,794
Adjustment for:		
Depreciation charges	318,560	330,314
Increase in stocks	(696)	(904)
Decrease/(increase) in debtors	42,110	(253,946)
Increase in creditors	23,832	215,099
Defined benefit pension scheme cost less contributions payable	173,000	58,000
Net cash provided by operating activities	<u>98,490</u>	<u>745,357</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,161	1,710
Notice deposits (less than 3 months)	1,102,933	1,082,703
Total	<u>1,104,094</u>	<u>1,084,413</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS

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

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

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Introduction

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £500,386 (2016 - £504,609).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £227,000 (2016 - £200,000), of which employer's contributions totalled £172,000 (2016 - £151,000) and employees' contributions totalled £55,000 (2016 - £49,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.60 %	3.40 %
Rate of increase for pensions in payment / inflation	2.10 %	1.90 %
Inflation assumption (CPI)	2.10 %	1.90 %

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

	2017	2016
Retiring today		
Males	24.0	24.6
Females	27.0	26.4
Retiring in 20 years		
Males	26.0	26.7
Females	29.3	28.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	3,889,000	3,922,000
Discount rate -0.1%	4,051,000	4,104,000
Mortality assumption - 1 year increase	3,851,000	3,886,000
Mortality assumption - 1 year decrease	4,088,000	4,139,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,546,000	1,215,000
Property	164,000	158,000
Government bonds	626,000	563,000
Corporate bonds	28,000	39,000
Cash and other liquid assets	76,000	111,000
Other	86,000	56,000
Total market value of assets	<u>2,526,000</u>	<u>2,142,000</u>

The actual return on scheme assets was £205,000 (2016 - £355,000).

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

	2017 £	2016 £
Current service cost	(310,000)	(180,000)
Net interest cost	(35,000)	(29,000)
Total	<u>(345,000)</u>	<u>(209,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,012,000	2,529,000
Current service cost	310,000	180,000
Interest cost	80,000	95,000
Employee contributions	55,000	49,000
Actuarial (gains)/losses	(440,000)	1,275,000
Benefits paid	(48,000)	(116,000)
Closing defined benefit obligation	<u>3,969,000</u>	<u>4,012,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	2,142,000	1,703,000
Interest income	45,000	66,000
Actuarial losses	160,000	289,000
Employer contributions	172,000	151,000
Employee contributions	55,000	49,000
Benefits paid	(48,000)	(116,000)
	<u>2,526,000</u>	<u>2,142,000</u>
Closing fair value of scheme assets	<u>2,526,000</u>	<u>2,142,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	57,705	38,469
Between 1 and 5 years	110,846	54,280
After more than 5 years	1,331	5,246
Total	<u>169,882</u>	<u>97,995</u>

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year, close family members of four of the Trustees were employed by the Academy. The total remuneration of these four employees was £65,288 (2016: £76,361). Employer's pension contributions in respect of these employees amounted to £9,223 (2016: £8,305).