

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 8
Governance Statement	9 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities Incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 40

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Ms R Murthar (resigned 31 August 2018) Mr J Tarling Mr J Hewlett
Trustees	Mrs H Ginger, Head teacher (appointed 1 September 2017) Mr J Tarling Mrs J Baldwin Mr A Bower Mr S Dodd Dr D Guest Mr P Hickman Mr B Moldon Ms K Rushbrooke Mrs A Avis Mrs S Nelmes Mrs S Oliver Mr S Barden (resigned 8 September 2018)
Company registered number	07770970
Company name	Stewards Academy Trust
Registered and principal office	Stewards Academy Parnall Road Harlow Essex CM18 7NQ
Company Secretary	Mrs A Avis
Chief Executive Officer	Mrs H Ginger
Senior Leadership Team	Helen Ginger, Headteacher Marie Erwood, Deputy Headteacher Clare O'Sullivan, Deputy Headteacher Sally Goddard, Deputy Headteacher Mark Scholtes, Deputy Headteacher Simon Preece, Deputy Headteacher Holly Sherwood, Assistant Headteacher Mark Harman, Assistant Headteacher Di Johnson, Assistant Headteacher Russell Perrin, Assistant Headteacher
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds 25 East Gate Harlow CM20 1LD

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Stewards Academy Trust (the Trust or the Charitable Company) for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy school for pupils aged 11 to 16 serving a catchment area in Harlow. It has a pupil capacity of 1,050 and has a current roll of 1,073 in the October 2018 school census.

Structure, Governance and Management

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

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

Members' Liability

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

Trustees and Officers' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

Trustees are appointed for a fixed term. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for a minimum of 3 Trustees but shall not be subject to any maximum. Currently there are 12 Trustees comprising of 2 Parents, 1 Staff Teaching (1 vacancy), 1 Staff Non-Teaching, 7 others plus the Headteacher.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Organisational Structure

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

Related Parties and other Connected Charities and Organisations

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

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

- The Headteacher is a Trustee of the Harlow Education Trust. HET is a non-profit group of primary and secondary schools within Harlow which exists to provide pupil and curriculum support, and to procure best value deals for services. All schools pay a subscription fee to fund the organisation.
- The Headteacher is a Governor of the ECC Virtual School, which is responsible for the wellbeing and education of children in care.
- The Headteacher is a member of ASHE council – the Association of Secondary Headteachers in Essex.
- The Trust is associated with the West Essex Teaching Schools Alliance – WETSA. This is an organisation of local schools which co-ordinates and provides teacher training schemes.

The Trust does not have a formal sponsor.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities

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

- Ensuring that every child enjoys the same high-quality education in terms of resourcing, tuition and pastoral care.
- Ensuring that pupils and staff have a safe environment in which to work.
- Providing enrichment opportunities (overseas and UK residential trips, theatre visits, visits to places of educational interest).
- Arranging visits to universities and a programme of work experience.
- Continuing to raise the standard of educational achievement of all pupils and thereby maintaining the Trust's local and national reputation.
- Improving the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- Providing value for money for the funds expended.
- Complying with all appropriate statutory and curriculum requirements.
- Conducting the Trust's business in accordance with the highest standards of integrity.

Our success in fulfilling our aims can be measured by:

- Evidence that pupils make progress at least in line with national average.
- Improving GCSE results.
- Absence, including persistent absence below national average.
- Over subscription in Y7
- Keeping our 'Not in Education, Employment or Training' figures below the national standard after year 11.

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

Public Benefit

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

Strategic Report

Achievements and Performance

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Specific achievements were as follows:

- Basics 9-4 EM 60% (despite the cohort having KS2 starting points significantly below national average).
- English and Maths progress in line with national or better.
- Achieving our best Ebacc results yet.
- Narrowing the attainment gap between SEN and other pupils.
- Successful destination data for Year 11 pupils leaving Stewards Academy August 2017:
 - 98% of pupils responded (2% unknown);
 - 93% remained in full time education;
 - 1.5% in full time training;
 - 2% full time employment;
 - 1.5 % Not in Education, Employment or Training (NEET).
- Below is the comparison with Harlow and Essex:
 - Remaining in full time education:
 - Stewards –93%
 - Harlow - 91.2%
 - Essex – 91.3%;
 - NEET:
 - Stewards – 1.5 %
 - Harlow – 2%
 - Essex – 1.7%;
- Attendance figures are in line with the national average (95.3%).
- Achieving the Overall Winner for Harlow Council Progress Awards.
- Prince's Teaching Awards awarded in Art, English, Geography, History, Latin, MFL, Music and Science for achievements across 4 key learning developments areas putting the subject at the heart of learning.
- Triad School to School improvement participation focussing on Modern Foreign Languages, resulting in improved outcomes in this area.

Key Performance Indicators

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

As funding is based on pupil numbers this is a key performance indicator. Funded pupil numbers for 2017/18 were 1059 based on the Autumn 2016 census actual pupil numbers for September 2017/18 were 1081 based on Autumn 2017 census.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this remains at 74%. The Board of Trustees is confident that staffing levels are closely monitored to agreed full time equivalent and staffing structures all approved by the Board.

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

Going Concern

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding agency (ESFA). For the year ended 31 August 2018 the Trust received £6,840,126 of GAG and other funding (see note 3). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £7,165,265 on general running costs (excluding capital) and transferred £NIL to support capital new build and improvement projects on the School site. The Trust brought forward from 16/17 £1,011,358 of restricted funds and £418,073 unrestricted funding. The carry forward for 17/18 is £1,388,390 restricted funding (excluding fixed assets) and £741,487 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Trust is recognising a significant pension fund deficit of £4,545,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over many years.

Fundraising Disclosure

The Board of Trustees confirm that the Trust only held small fundraising events during the year including Summer & Christmas concerts, Popstars the Musical whole school performance. The Trust did not work with professional fundraisers or companies who would carry out fundraising on its behalf. During the year no complaints or issues were raised as a result of the fundraising events.

Reserves Policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £741,487. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 was £2,129,877.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £2,278,354. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports and attempt to hold a minimum of £550,000 to cover short term cash flow variances.

Investment Policy

An Investment Policy was reviewed and approved by the Board of Trustees December 2016 and is due to be reviewed in December 2018.

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

Principal Risks and Uncertainties

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

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

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

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

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

- the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Essex County Council Internal Controls Evaluation Service to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

Plans for Future Periods

- Maintain and improve attendance for all pupils with a continued focus on Pupil Premium and SEND pupils.
- Ensure pupils make progress in line with national figures with a particular focus on narrowing the gap for Pupil Premium and High Attainers.
- Following a complete review of the Academy's SEND provision, implement, embed and develop successful strategies to drive up standards to ensure every child achieves their full academic and personal potential.
- Ensure all teachers improve their practice by the end of the academic year and their teaching defines the model of high expectations and engagement of every child.
- Ensure staff retention and satisfaction remains high, resulting in stability for pupils and progress towards consistently outstanding teaching.
- Continue to review the curriculum model to ensure it provides optimum support for achievement and offers best value for money.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

Trade Union Facility Time

The number of employees who were relevant union officials during the period was two. The full time equivalent was 1.85.

During the year the two employees spent between 0-50% on facility time.

There was £953 spent on facility time.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 5 December 2018 and signed on the Board's behalf by:

Mr J Tarling
Chair of Trustees

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stewards Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs H Ginger	3	3
Mr J Tarling	3	3
Mrs J Baldwin	0	3
Mr A Bower	2	3
Mr S Dodd	3	3
Dr D Guest	2	3
Mr P Hickman	1	3
Mr B Moldon	2	3
Ms K Rushbrooke	2	3
Mrs A Avis	3	3
Mrs S Nelmes	1	3
Mrs S Oliver	2	3
Mr S Barden	2	3

There have been no key changes to the composition of the Board of Trustees. At this time the Board continues to comprise of Trustees who have particular skill sets that complement the effective running and management of the Academy. At the end of the 2017/18 academic year, one of the founding members of the Trust resigned and as such there is now a Member vacancy.

At the Board of Trustee meeting on the 24th January 2018, a review of the membership, constitution and structure of the Governing Body was undertaken to ensure it accurately reflected the requirements as specified within the Trusts Articles of Association. A couple of minor amendments were made, so ensuring on-going compliance as applicable. The skills audit completed February 2017 was recirculated and Governors were asked to review, and update based on any additional training undertaken.

Individual outcomes of the review were fed back to the Clerk, confirming that the good mix of skills and experience was still evident. From the skills audit and for the purpose of succession planning within the Governing Body, key priorities remain the same as for the previous year. Specifically, that future appointments and training undertaken by existing Governors would have a stronger focus on the business element of the Academy ie premises, HR and finance including links with the Business Community.

The Academy recognises that this is an on-going process that should be undertaken on an annual basis. The next review will be completed at the Board of Trustees meeting held in the Spring Term.

The Finance and General Purposes Committee (F&GP) is a sub-committee of the Board of Trustees. Its purpose is to take overall responsibility on behalf of the Governing Body for financial matters, including formally setting the budget and ensuring all statutory returns including the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the ESFA guidance. As part of their remit they review financial policy to ensure consideration is given and evidenced in regard to long term planning, resourcing and best value.

There have been no key changes to the composition of the Finance and General Purposes committee. The challenges that have arisen for the Committee remain similar to previous years in relation to the on-going real term budget cuts. Since 2014/15 the amount per pupil for the total GAG funding has reduced from £6,367 to £5,959, an accumulative reduction of £408 per pupil over the past 3 years mainly due to changes to qualifying criteria.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Rising costs also continue to add pressure as the Trust works toward funding the requirements of the living wage, proposed staff pension and inflationary increases and the recruitment and retention of high-quality staff. Working with a 5 year plan has facilitated a strategic tool to ensure decisions can be evaluated and planned for, whilst maintaining a sustainable short term budget.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Barden	2	5
Mr A Bower	3	5
Mr S Dodd	5	5
Mrs H Ginger, Head teacher	5	5
Dr D Guest	2	5
Mr B Moldon	3	5
Mr J Tarling	4	5
Mrs A Avis	5	5

The Audit Committee function is undertaken by the F&GP.

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

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

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

There have been no key changes to the composition of the Finance and General Purposes committee.

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 has delivered improved value for money during the year by:

- The staffing structure continues to be reviewed regularly to ensure best value and sustainability. This year a full review of the pastoral support and staffing was undertaken to ensure on-going financial viability in delivering targeted high-quality support to our most vulnerable or challenging pupils. The key targets include:
 - Providing alternative educational opportunities within the Academy without compromising the education of other pupils.
 - Empower pupils to take responsibility for their behaviour and emotional wellbeing.
 - Provide key staff with a framework of clear, achievable objectives, whilst allowing them flexibility and freedom to provide the best outcomes for these pupils.
 - Ensure all pupils have access to short or long term pastoral support if, as and when needed.
- The photocopier contract was renewed toward the end of 2017/18. As part of the process, alternative options were investigated to ensure minimal cost pressure increases without compromising on accessibility or service. The new agreement incorporates part operational lease on the three main copiers and a 'cost per copy' agreement on five reconditioned copiers. The outcome being a reduction in leasing cost over a three year contract.
- Recruitment and retention remain an important consideration within the School Development Plan since good quality teachers and support staff provide the best possible chances of success for pupils. To aide retention further investment continues to be made in relation to teacher training to ensure high quality succession planning is implemented, especially in 'hard to fill' curriculum areas. In regard to recruitment all vacancies are reviewed to assess if there are internal opportunities for current staff or re-organisational opportunities for the Academy.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 Stewards Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

Essex County Council Education Finance Team offer an internal audit service referred to as the Internal Controls Evaluation (ICE). Standard ICE templates are used to review and test an Academy's internal controls and procedures. These templates are regularly reviewed and updated to incorporate legislative changes, updated ESFA guidance, and guidance offered by statutory Auditors. The templates are designed to provide Governors with a level assurance that appropriate financial controls are in place within the Academy for which they have responsibility and include testing of adherence to the approved Schemes of Delegation of Financial Power and compliance with the Academies Financial Handbook.

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 F&GP 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 considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

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

- Governance and financial management.
- Banking.
- Payroll and expenses.
- Governance and financial reporting.
- Income.
- Assets.
- Payroll including additional hours.
- Governance and financial accounting.
- Expenditure.
- Payroll including special payments.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned, and there were no material issues arising as a result of their work.

The schedule of work for 2017-18 was presented at the F&GP meeting on the 11th October 2017 and accepted. Throughout the year the schedule has been completed and the findings have been reported and reviewed at the following F&GP meeting.

Within the previous financial year there were no material issues arising as a result of the Internal Auditor's work.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by the Board of Trustees on 5 December 2018 and signed on their behalf, by:

Mr J Tarling
Chair of Trustees

Mrs H Ginger
Accounting Officer

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stewards Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

Mrs H Ginger
Accounting Officer

Date: 5 December 2018

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Trustees (who act as Governors of Stewards and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations .

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business .

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 the Board of Trustees on 5 December 2018 and signed on its behalf by:

Mr J Tarling
Chair of Governors

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

OPINION

We have audited the financial statements of Stewards Academy Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

USE OF OUR REPORT

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
10 December 2018

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO STEWARDS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stewards Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Stewards 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 Stewards 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 Stewards Academy Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF STEWARDS ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Stewards Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

CONCLUSION

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants

10 December 2018

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	3,934	133,076	21,803	158,813	315,761
Charitable activities	3	249,509	6,840,126	-	7,089,635	7,102,488
Other trading activities	4	224,269	-	-	224,269	197,156
Investments	5	797	-	-	797	3,395
TOTAL INCOME		<u>478,509</u>	<u>6,973,202</u>	<u>21,803</u>	<u>7,473,514</u>	<u>7,618,800</u>
EXPENDITURE ON:						
Charitable activities		<u>155,095</u>	<u>7,010,170</u>	<u>384,412</u>	<u>7,549,677</u>	<u>7,882,065</u>
TOTAL EXPENDITURE	6	<u>155,095</u>	<u>7,010,170</u>	<u>384,412</u>	<u>7,549,677</u>	<u>7,882,065</u>
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		323,414	(36,968)	(362,609)	(76,163)	(263,265)
Actuarial gains/(losses) on defined benefit pension schemes	20	<u>-</u>	<u>1,061,000</u>	<u>-</u>	<u>1,061,000</u>	<u>(319,000)</u>
NET MOVEMENT IN FUNDS		<u>323,414</u>	<u>1,024,032</u>	<u>(362,609)</u>	<u>984,837</u>	<u>(582,265)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>418,073</u>	<u>(4,180,642)</u>	<u>8,904,904</u>	<u>5,142,335</u>	<u>5,724,600</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>741,487</u></u>	<u><u>(3,156,610)</u></u>	<u><u>8,542,295</u></u>	<u><u>6,127,172</u></u>	<u><u>5,142,335</u></u>

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		8,511,766		8,896,178
CURRENT ASSETS					
Debtors	13	251,248		230,206	
Cash at bank and in hand		2,278,354		1,662,945	
		<u>2,529,602</u>		<u>1,893,151</u>	
CREDITORS: amounts falling due within one year	14	(369,196)		(454,994)	
NET CURRENT ASSETS			<u>2,160,406</u>		<u>1,438,157</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,672,172</u>		<u>10,334,335</u>
Defined benefit pension scheme liability	20		(4,545,000)		(5,192,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,127,172</u></u>		<u><u>5,142,335</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	1,388,390		1,011,358	
Restricted fixed asset funds	15	8,542,295		8,904,904	
		<u>9,930,685</u>		<u>9,916,262</u>	
Restricted income funds excluding pension liability		9,930,685		9,916,262	
Pension reserve		(4,545,000)		(5,192,000)	
		<u>5,385,685</u>		<u>4,724,262</u>	
Total restricted income funds			<u>5,385,685</u>		<u>4,724,262</u>
Unrestricted income funds	15		741,487		418,073
TOTAL FUNDS			<u><u>6,127,172</u></u>		<u><u>5,142,335</u></u>

The financial statements on pages 20 to 40 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

Mr J Tarling
Chair of Governors

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	614,672	217,859
Cash flows from investing activities:			
Interest		737	3,395
Purchase of tangible fixed assets		-	(1,432,654)
Net cash provided by/(used in) investing activities		737	(1,429,259)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		615,409	(1,211,400)
		1,662,945	2,874,345
Cash and cash equivalents carried forward		2,278,354	1,662,945

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Stewards Academy Trust constitutes a public benefit entity as defined by FRS 102.

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

1.2 Company status

The Academy is a company limited by guarantee. Members are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Stewards Academy, Parnall Road, Harlow, Essex CM18 7NQ.

1.3 Fund accounting

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

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

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

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

1.5 Expenditure

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

All expenditure is inclusive of irrecoverable VAT.

1.6 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. Where these exist, the material uncertainties will be disclosed and explained. Where there are no material uncertainties in relation to the Academy continuing as a going concern, this will be disclosed. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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 .

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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:

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

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

1.8 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Interest receivable

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

1.10 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.

1.11 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.

1.12 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.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 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.

1.14 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.15 Pensions

Retirement benefits to employees of the Academy 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 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.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	3,934	133,076	-	137,010	206,982
Capital grants	-	-	21,803	21,803	108,779
	<u>3,934</u>	<u>133,076</u>	<u>21,803</u>	<u>158,813</u>	<u>315,761</u>
Total 2017	<u>5,834</u>	<u>201,148</u>	<u>108,779</u>	<u>315,761</u>	

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,333,828	6,333,828	6,432,779
Other DfE / ESFA grants	-	359,371	359,371	359,358
	- <hr/>	6,693,199 <hr/>	6,693,199 <hr/>	6,792,137 <hr/>
Other government grants				
Local Authority grants	-	146,927	146,927	102,895
	- <hr/>	146,927 <hr/>	146,927 <hr/>	102,895 <hr/>
Other funding				
Catering income	249,509	-	249,509	207,456
	249,509 <hr/>	- <hr/>	249,509 <hr/>	207,456 <hr/>
	249,509 <hr/> <hr/>	6,840,126 <hr/> <hr/>	7,089,635 <hr/> <hr/>	7,102,488 <hr/> <hr/>
Total 2017	207,456 <hr/> <hr/>	6,895,032 <hr/> <hr/>	7,102,488 <hr/> <hr/>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	87,018	87,018	53,234
Other income	31,792	31,792	46,073
Swimming lessons income	105,459	105,459	97,849
	224,269 <hr/>	224,269 <hr/>	197,156 <hr/> <hr/>
Total 2017	197,156 <hr/> <hr/>	197,156 <hr/> <hr/>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	797	-	797	3,395
	797 <hr/>	- <hr/>	797 <hr/>	3,395 <hr/> <hr/>
Total 2017	3,395 <hr/> <hr/>	- <hr/> <hr/>	3,395 <hr/> <hr/>	

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	3,642,441	-	666,687	4,309,128	4,544,358
Support costs	1,870,637	902,064	467,848	3,240,549	3,337,707
	<u>5,513,078</u>	<u>902,064</u>	<u>1,134,535</u>	<u>7,549,677</u>	<u>7,882,065</u>
Total 2017	<u>5,733,561</u>	<u>1,007,983</u>	<u>1,140,521</u>	<u>7,882,065</u>	

In 2017, of total expenditure, £128,425 was to unrestricted funds, £7,215,769 was to restricted funds and £537,817 was to restricted fixed asset funds.

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	4,309,128	4,544,358
Support costs	3,240,549	3,337,707
	<u>7,549,677</u>	<u>7,882,065</u>
Total	<u>7,549,677</u>	<u>7,882,065</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	1,870,637	1,896,341
Depreciation	384,412	437,818
Technology costs	85,244	93,458
Premises costs (excluding depreciation)	517,652	552,734
Other support costs	365,891	345,051
Governance costs	16,713	12,305
	<u>3,240,549</u>	<u>3,337,707</u>
Total	<u>3,240,549</u>	<u>3,337,707</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Academy	384,412	437,818
Auditors' remuneration - audit	6,955	6,750
Auditors' remuneration - other services	4,325	4,200
	<u>4,066,002</u>	<u>4,179,568</u>

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,078,081	4,368,392
Social security costs	391,667	415,747
Other pension costs	944,276	879,044
	<u>5,414,024</u>	<u>5,663,183</u>
Agency staff costs	99,054	70,378
	<u>5,513,078</u>	<u>5,733,561</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	63	67
Administration and support	104	114
Management	5	5
	<u>172</u>	<u>186</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	3	5
In the band £ 70,001 - £ 80,000	1	1
In the band £110,001 - £120,000	0	1

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy was £814,095 (2017 - £984,497).

Included in the above are employer pension contributions of £107,520 (2017 - £116,100).

Included in the above are employer national insurance contributions of £74,068 (2017 - £84,658)

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. TRUSTEES' REMUNERATION AND EXPENSES

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

R Murthar (Former Head Teacher)	Remuneration £Nil (2017: £110,000-£115,000)
	Employer's Pension contribution £Nil (2017: £15,000-£20,000)
H Ginger (Head Teacher)	Remuneration £75,000-£80,000 (2017: £60,000-£65,000)
	Employer's Pension contribution £10,000-£15,000 (2017: £5,000-£10,000)
P Hickman (Staff Trustee)	Remuneration £45,000-£50,000 (2017: £45,000-£50,000)
	Employer's Pension contribution £5,000-£10,000 (2017: £5,000-£10,000)
A Avis (Staff Trustee)	Remuneration £55,000-£60,000 (2017: £50,000-£55,000)
	Employer's Pension contribution £10,000-£15,000 (2017: £5,000-£10,000)
S Barden (Staff Trustee)	Remuneration £35,000-£40,000 (2017: £45,000-£50,000)
	Employer's Pension contribution £5,000-£10,000 (2017: £5,000-£10,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £436 (2017: £1,355) were reimbursed or paid directly to 3 trustees (2017: 3 trustees). These expenses were reimbursed for activities undertaken as members of staff not as part of their role as Trustees.

Other related party transactions involving the Trustees are set out in note 22.

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Leashold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017 and 31 August 2018	10,902,772	143,756	367,576	11,414,104
Depreciation				
At 1 September 2017	2,054,719	96,676	366,531	2,517,926
Charge for the year	369,725	14,193	494	384,412
At 31 August 2018	2,424,444	110,869	367,025	2,902,338
Net book value				
At 31 August 2018	8,478,328	32,887	551	8,511,766
At 31 August 2017	8,848,053	47,080	1,045	8,896,178

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. DEBTORS

	2018	2017
	£	£
Trade debtors	11,008	7,638
VAT recoverable	39,972	24,230
Other debtors	5,565	11,760
Prepayments and accrued income	194,703	186,578
	251,248	230,206
	251,248	230,206

14. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Tax and social security	99,828	101,588
Other creditors	178,398	235,932
Accruals and deferred income	90,970	117,474
	369,196	454,994
	369,196	454,994

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	102,680	120,680
Resources deferred during the year	90,970	102,595
Amounts released from previous years	(102,680)	(120,680)
	90,970	102,595
	90,970	102,595

Resources deferred at the year end predominately relate to contributions towards future educational visits.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General funds	418,073	478,509	(155,095)	-	741,487
Restricted funds					
General Annual Grant (GAG)	1,011,358	6,333,828	(5,956,796)	-	1,388,390
SEN	-	131,388	(131,388)	-	-
Other DfE/ESFA grants	-	48,954	(48,954)	-	-
Pupil Premium funding	-	324,456	(324,456)	-	-
Educational visits	-	130,736	(130,736)	-	-
Other restricted funding	-	2,340	(2,340)	-	-
Other Government grants	-	1,500	(1,500)	-	-
Pension reserve	(5,192,000)	-	(414,000)	1,061,000	(4,545,000)
	<u>(4,180,642)</u>	<u>6,973,202</u>	<u>(7,010,170)</u>	<u>1,061,000</u>	<u>(3,156,610)</u>
Restricted fixed asset funds					
Fixed asset fund	8,896,178	-	(384,412)	-	8,511,766
Capital grants	8,726	21,803	-	-	30,529
	<u>8,904,904</u>	<u>21,803</u>	<u>(384,412)</u>	<u>-</u>	<u>8,542,295</u>
Total restricted funds	<u>4,724,262</u>	<u>6,995,005</u>	<u>(7,394,582)</u>	<u>1,061,000</u>	<u>5,385,685</u>
Total of funds	<u><u>5,142,335</u></u>	<u><u>7,473,514</u></u>	<u><u>(7,549,677)</u></u>	<u><u>1,061,000</u></u>	<u><u>6,127,172</u></u>

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

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

Unrestricted Funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Special Educational Needs (SEN)

This represents funding for special educational needs pupils.

DfE/ESFA grants

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

Pupil Premium

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

Educational Visits

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

Other restricted funds

These are other amounts received, upon which, the donor or source has placed restrictions.

Pension Reserve

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

Other Government grants

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

Restricted Fixed Asset Funds

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

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General funds	1,565,311	413,841	(128,425)	(1,432,654)	-	418,073
Restricted funds						
General Annual Grant (GAG)	803,351	6,432,779	(6,224,772)	-	-	1,011,358
SEN	-	81,975	(81,975)	-	-	-
Other DfE/ESFA grants	-	45,323	(45,323)	-	-	-
Pupil Premium funding	-	329,175	(329,175)	-	-	-
Educational visits	834	190,784	(191,618)	-	-	-
Other restricted funding	2,762	10,364	(13,126)	-	-	-
Other Government grants	-	5,780	(5,780)	-	-	-
Pension reserve	(4,549,000)	-	(324,000)	-	(319,000)	(5,192,000)
	<u>(3,742,053)</u>	<u>7,096,180</u>	<u>(7,215,769)</u>	<u>-</u>	<u>(319,000)</u>	<u>(4,180,642)</u>
Restricted fixed asset funds						
Fixed asset fund	7,901,342	-	(437,818)	1,432,654	-	8,896,178
Capital grants	-	108,779	(100,053)	-	-	8,726
Total restricted funds	<u>4,159,289</u>	<u>7,204,959</u>	<u>(7,753,640)</u>	<u>1,432,654</u>	<u>(319,000)</u>	<u>4,724,262</u>
Total of funds	<u><u>5,724,600</u></u>	<u><u>7,618,800</u></u>	<u><u>(7,882,065)</u></u>	<u><u>-</u></u>	<u><u>(319,000)</u></u>	<u><u>5,142,335</u></u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,511,766	8,511,766
Current assets	1,110,683	1,388,390	30,529	2,529,602
Creditors due within one year	(369,196)	-	-	(369,196)
Provisions for liabilities and charges	-	(4,545,000)	-	(4,545,000)
	<u>741,487</u>	<u>(3,156,610)</u>	<u>8,542,295</u>	<u>6,127,172</u>

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	8,896,178	8,896,178
Current assets	418,073	1,466,352	8,726	1,893,151
Creditors due within one year	-	(454,994)	-	(454,994)
Provisions for liabilities and charges	-	(5,192,000)	-	(5,192,000)
	<u>418,073</u>	<u>(4,180,642)</u>	<u>8,904,904</u>	<u>5,142,335</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(76,163)	(263,265)
Adjustment for:		
Depreciation charges	384,412	437,818
Interest	(737)	(3,395)
(Increase)/decrease in debtors	(21,042)	30,830
Decrease in creditors	(85,798)	(308,129)
Defined benefit pension scheme adjustment	414,000	324,000
Net cash provided by operating activities	<u>614,672</u>	<u>217,859</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,278,354	1,662,945
Total	<u>2,278,354</u>	<u>1,662,945</u>

19. 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.

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 Essex 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.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

Contributions amounting to £84,146 were payable to the schemes at 31 August 2018 (2017 - 82,372) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £ 342,911 (2017 - £353,049).

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 Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £402,000 (2017 - £380,000), of which employer's contributions totalled £315,000 (2017 - £293,000) and employees' contributions totalled £87,000 (2017 - £87,000). The agreed contribution rates for future years are 12.3% for employers and 5.5-12.5% 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.

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

As at the 31 August 2018 the Trust had a pension liability of £4,545,000 (2017 - £5,192,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(200,000)	(202,000)
Discount rate -0.1%	205,000	207,000
Mortality assumption - 1 year increase	278,000	281,000
Mortality assumption - 1 year decrease	(268,000)	(271,000)
CPI rate +0.1%	177,000	168,000
CPI rate -0.1%	(172,000)	(163,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,431,000	2,117,000
Gilts	204,000	202,000
Other bonds	223,000	127,000
Property	341,000	315,000
Cash and other liquid assets	130,000	100,000
Alternative assets	343,000	248,000
Other managed funds	147,000	138,000
Total market value of assets	3,819,000	3,247,000

The actual return on scheme assets was £213,000 (2017 - £294,000).

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(597,000)	(520,000)
Interest income	89,000	44,000
Interest cost	(220,000)	(141,000)
Admin expenses	(1,000)	-
	<u>(729,000)</u>	<u>(617,000)</u>
Total	<u><u>(729,000)</u></u>	<u><u>(617,000)</u></u>

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

	2018 £	2017 £
Opening defined benefit obligation	8,439,000	6,426,000
Current service cost	597,000	520,000
Interest cost	220,000	141,000
Employee contributions	87,000	87,000
Actuarial (gains)/losses	(937,000)	1,381,000
Benefits paid	(42,000)	(116,000)
	<u>8,364,000</u>	<u>8,439,000</u>
Closing defined benefit obligation	<u><u>8,364,000</u></u>	<u><u>8,439,000</u></u>

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

	2018 £	2017 £
Opening fair value of scheme assets	3,247,000	1,877,000
Interest income	89,000	44,000
Actuarial gains	124,000	1,062,000
Employer contributions	315,000	293,000
Employee contributions	87,000	87,000
Benefits paid	(42,000)	(116,000)
Administration cost	(1,000)	-
	<u>3,819,000</u>	<u>3,247,000</u>
Closing fair value of scheme assets	<u><u>3,819,000</u></u>	<u><u>3,247,000</u></u>

21. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	16,064	24,412
Between 1 and 5 years	21,532	14,054
	<u>37,596</u>	<u>38,466</u>
Total	<u><u>37,596</u></u>	<u><u>38,466</u></u>

STEWARDS ACADEMY TRUST
(A Company Limited by Guarantee)

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

22. RELATED PARTY TRANSACTIONS

During the prior period the Academy incurred expenditure of £21,123 and received £3,000 in relation to educational services and grant funding from Harlow Education Consortium (HEC). Ms R Murthar, the former Accounting Officer, is a Director of HEC. At the period end, no balance was due to HEC. Ms R Murthar was entitled to exercise 16.67% of the voting power and had no financial or profit share entitlement so transactions with HEC are not subject to the 'cost' clauses set out in the financial handbook.

During the prior period the Academy incurred expenditure of £72,000 with Aspire Academy Trust. Ms R Murthar, the former Accounting officer, was a Director of Aspire Academy Trust. At the period end, no balance was due to them. Ms R Murthar was entitled to exercise 16.67% of the voting power and had no financial or profit share entitlement so transactions with Aspire Academy Trust are not subject to the 'cost' clauses set out in the financial handbook.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.