

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs S Naylor Mr P Haines Mrs K Canham
Trustees	Mrs S Naylor (Resigned 31 August 2019) ³ Mr M Richmond, Chair of Trustees Mrs M Fox, Vice Chair ^{1,2,3} Mrs S Watson, Chief Executive Officer/Head Teacher of The Castle School Mr M Mac Closkey ^{1,3} Mr C Atkins Mrs C Hatch (appointed 13 December 2018) ²
	¹ Business Committee ² Education Committee ³ Pay Committee
Company registered number	07657731
Company name	The Castle Partnership Trust
Principal and Registered office	Wellington Road Taunton Somerset TA1 5AU

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Company secretary Mrs J Gregory

Chief executive officer Mrs S Watson

Senior Leadership Team

Mrs F Gormley, Head of School - The Castle School

Mrs A Crudgington, Business Manager - The Castle School

-

Ms R Bennett, Headteacher - Court Fields School (Until 31/05/19)

Mrs P Matthews, Acting Headteacher - Court Fields School (from 01/06/19)

Mr P Cox, Business Manager - Court Fields School (until 31/12/18)

Mrs S Taylor, Business Manager - Court Fields School (from 07/01/19)

-

Mrs C Wilkins, Headteacher - Wellesley Park Primary School

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers Lloyds TSB Bank plc
31 Fore Street
Taunton
Somerset
TA1 1HN

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 1 secondary academy in Taunton – The Castle School – and two academies (one primary and one secondary) in Wellington – Wellesley Park Primary School and Court Fields Secondary School. The Castle School is for pupils aged 11 to 16 in Taunton. It has a pupil capacity of 1,188 and had a roll of 1,196 in the school census in October 2018. Court Fields School is for pupils aged 11 to 16 in Wellington. It has a pupil capacity of 950 and had a roll of 775 in the school census in October 2018. Wellesley Park Primary includes a nursery so its age range is from 2 – 11. It has a pupil capacity of 356 (primary age children) and had a roll of 350 in the school census in October 2018 and 52 pre-school pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust.

The Trustees of The Castle Partnership Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as The Castle Partnership Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trade union facility time

No employees of the Trust were appointed union officials at any point during the year ended 31 August 2019. Accordingly, the cost to the Trust of these activities was £Nil.

Trustees' Indemnities

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.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Multi Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 7 Trustees who are appointed by members.
- A minimum of 2 Parent Trustees who are elected by parents of registered pupils at the Multi Academy Trust (if there are not at least 2 Parent Local Governors on each established Local Governing Body).
- Community Trustees who are appointed by the Board of Trustees.
- The Executive Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

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Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' away day organised each year which includes training sessions to keep all Trustees updated on relevant developments impacting on their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are committees as follows;

- Local Governing Bodies – these meet at least three times a year and are responsible for carrying out the Board's vision, policies and priorities for each Academy, considering each Academy's required funding and supporting the Board in relation to the annual budgetary process.
- Business Committees – these meet at least three times a year and are responsible for monitoring, evaluating and reviewing performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels, monitoring premises and health and safety issues and prioritising capital works, ensuring there is an appropriate staffing structure in place to deliver the curriculum.
- Education Committees – these meet at least once a term and are responsible for monitoring academy exam and external test results and ensuring that every child achieves more than expected progress, has a sense of belonging and participates in enrichment.
- Admissions Committee – meets most weeks to deal with all matters relating to admissions.
- Pay Committee – meets annually to determine staff pay.
- Members' Strategic Committee – Responsible for controlling to the Trust's constitution, amending the Articles of Association when appropriate, reviewing the governance arrangements of the Trust including appointing and removing Trustees, intervening if the Board is not performing well and signing off the Trust's annual accounts.

The following decisions are reserved to the Board of Trustees; to set the strategic direction of the Trust, to appoint the Headteachers, Clerk to the Trustees and Governors to the Local Governing Bodies, to approve the Annual Development Plan and budgets.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academies to the Headteachers and Strategic Leadership Team (SLTs) of the respective schools. The SLTs comprise the Headteachers, Deputy Headteacher(s), Assistant Headteacher(s) and the Business Manager in each Academy. The SLTs implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

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FOR THE YEAR ENDED 31 AUGUST 2019**

The Executive Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The senior leadership team comprise the key management personnel of each academy in charge of directing and controlling, running and operating the Trust on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is based on recommended national pay scales and is reviewed annually. Pay scales have been increased in accordance with national pay increases and the pay point reflects performance during the year as specified in the Trust's Pay Policy.

Connected Organisations, including Related Party Relationships

Until 31 March 2019 there was a shared use agreement between 1610 and The Castle School regarding use of the sports hall, athletics track and ATP, hard court area, large changing rooms and the drama and dance studios. Since this contract ceased, these facilities are now solely managed through The Castle School.

The Court Fields Community Pre School operated on the site of Court Fields School until December 2018 and was subject to the terms of an underlease. This arrangement finished on 31 December 2018 when the pre-school relocated to Wellington Youth Centre.

Wellesley Park Primary school has a PTA which holds events and raises funds for the school. Last year they raised a total of £8,755.

All Trust academies have strong collaborative links with local primary schools.

There are no related parties which either control or significantly influence the decisions and operations of the Multi Academy Trust. There are no sponsors associated with any academy in the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects and activities of the Multi Academy Trust are:

- to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum for pupils of different abilities;
- to promote for the benefit of the inhabitants of Taunton, Wellington and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Throughout The Castle Partnership Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in each Academy's Development Plan which is available from the respective school offices. Key aims for this year include:

- Assessment: ensuring that all teachers are clear about when to assess, what to assess and accuracy of assessment.

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- Literacy and reading: reading comprehension (EEF) and building vocabulary, especially for disadvantaged children.
- Maths mastery: ensure that maths teachers/primary teachers are clear about how knowledge is acquired and establish mastery techniques. Over time, mastery to be embedded.
- Underpin improvements with deep understanding of metacognition and self-regulation
- Increase pupil numbers at Wellesley Park and Court Fields to ensure financial security

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Multi-Academy Trust's aims and objectives and in planning its future activities.

The Multi Academy Trust aims to advance for the public benefit, education in Taunton, Wellington and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools, offering a broad curriculum.

STRATEGIC REPORT

Achievements and Performance

The Castle School was inspected by OFSTED in 2009 and was judged to be Outstanding. Court Fields School was inspected in March 2019 and was judged to be Requiring Improvement, although the inspectors recognised that there have been improvements since the last inspection. Wellesley Park Primary was last inspected by OFSTED in 2015 and was judged to be Good.

The Castle School remains significantly oversubscribed. There were 530 applications for the 240 places available in year 7 for September 2019. The PAN for Court Fields School is currently 860 but with an assessed capacity of 950 which has been increased to meet higher pupil projections in future years. There were 773 students on roll at the commencement of the 2019/20 academic year (an increase of 7 since September 2018). Wellesley Park's pupil numbers were 351 in September 2018 and are 343 in September 2019.

During the year, as a result of a successful capital grant bid totalling £1.8m, The Castle School completed work on a new two-storey classroom block to replace three classrooms previously housed in temporary buildings and the two specialist practical Design Technology classrooms. The Sheila Naylor building opened in April 2019. Phase 2 of this project (remodelling the area vacated by the old DT classrooms) began during August 2019. Work also began on the new Dining Hall, funded by a further capital grant of £1.8m.

At Court Fields, during 2018/19, work was completed on the £450K capital grant-funded project to replace aging domestic water pipes and decommission cold water storage tanks. A further grant-funded capital project to the value of £340K was started and completed during 2019, which involved refurbishment of the Music and Drama areas, including classrooms, music practice rooms, office and storage rooms. Work also included enclosing a corridor to the main block, which met the safeguarding and health and safety objectives of the project.

A successful capital bid of £480K to re-roof most of the main building at Wellesley Park began in August 2019.

At The Castle School, examination results for 2019 were:

- Grade 4 or above in English and Maths: 80%
- Grade 5 or above in English and Maths: 56%
- Progress 8 measure: +0.24

At Court Fields School, examination results for 2019 were:

- Grade 4 or above in English and Maths: 58%
- Grade 5 or above in English and Maths: 33%

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- Progress 8 measure: -0.42

At Wellesley Park School, Key Stage 2 SATS results for 2019 were:

- Writing (Teacher Assessed): 75% (vs 78% nationally)
- Maths: 85% (79% nationally)
- Reading: 81% (73% nationally)
- Grammar, punctuation and spelling: 83% (78% nationally)
- Reading, Writing and Maths (combined): 71% (65% nationally)

To ensure that standards are continually assessed, the Trust operates a programme of lesson observations, which are undertaken by the Department Heads and the School Leadership Teams.

During the year, fundraising activities raised £5,324 for charity at The Castle School and £9,070 at Court Fields School.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention although there is currently no specific restriction.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 2,321. It is anticipated that this number will continue to rise.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total revenue (excluding transfers in and capital income) of £12,941,547 and incurred total expenditure (excluding pension adjustments and capital expenditure) of £11,720,603.

As at 31 August 2019, the Trust held restricted funds (excluding fixed assets and pension) of £647,951 and unrestricted funds (excluding fixed assets) of £946,380, a total of £1,594,331. This is an increase of £443,874 since 31 August 2018.

At 31 August 2019 the net book value of fixed assets was £26,667,254 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in

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Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other financial policies include the investment policy, capitalisation and depreciation policy and the reserves policy.

Trustees have appointed Education Financial Services to undertake a programme of internal checks on financial controls. During the year, the Trustees received a number of reports from the Responsible Officer which contained no matters of significance.

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the academies, the uncertainty over future income streams and other key risks identified during the risk review.

The Castle Partnership Trust's policy is to spend its General Annual Grant (GAG) funding first, before spending its unrestricted funds in order to minimize the risk of accumulating restricted funds which may be subject to clawback, despite the 12% restriction having been relaxed at the present time.

The policy of the Trust is also to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the Secretary of State.

The Trustees have reviewed the future plans of the Multi Academy Trust and have committed to the following expenditure out of reserves:

- £93,000 towards the construction of the CIF funded dining hall at The Castle School. The total spend is budgeted as £1.8m.
- £50,000 as the school's contribution towards the final phase of the CIF funded DT project at The Castle School.
- £1,040,721 CIF grant received in advance for the DT and new classroom block project and the dining hall project at The Castle School.
- £14,370 for the final payment due on the capital heating project at The Castle School.
- £94,058 relating to grants received which are being spent over more than one financial year at The Castle School (eg IKB Pre-opening grant, Tennis Foundation grant)
- £26,606 in relation to funds held at The Castle School on behalf of third parties (eg community music, contributions for school trips)
- £24,442 for committed curriculum and department funding at The Castle School
- £108,258 as an earmarked premises contingency for The Castle School, which includes a sinking fund for the ATP/track.
- £11,965 to meet the retention costs of completed CIF funded projects at Court Fields School
- £4,506 balance of grant income for Raising Aspirations, Maths and PE at Court Fields School
- £19,574 relating to funds held at Court Fields School on behalf of third parties (eg school trips)
- £7,351 relating to ring fenced funds at Court Fields (eg Children Looked After, Pupil Premium, EAL)
- £10,300 to meet Wellesley Park's contribution towards the cost of the roofing project
- £479,910 CIF grant received in advance for the roofing project
- £15,568 for committed curriculum and department funding at Wellesley Park School.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Multi-Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Multi-Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit

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on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Cash flow and account balances are regularly monitored to ensure that immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments. In practice, a working balance of between £100,000 and £750,000 is usually maintained in the current account. No overdraft facility is allowed.

Funds surplus to immediate cash requirements are identified and transferred to Fixed Term Deposit/High Interest Accounts to optimise interest. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these are invested in "A rated" investment accounts/institutions.

Interest rates are reviewed regularly and compared with other investment opportunities.

Funds are only invested in low risk and easily accessible deposit accounts based on medium to long term forecast and financial planning. Funds can be invested for up to one year. For investments of 12 months or longer or alternative investments proposals would need prior approval from the Business Committee.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust has established a Risk Register which has been discussed with Trustees and includes the financial risks. The register is reviewed in light of any new information.

The principal risks and uncertainties facing the Trust are as follows:

Financial - The Trust has considerable reliance on continued Government funding through the Education Funding Agency (EFA). The school's incoming resources are Government funded and whilst this level is expected to be largely protected, 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 success and achievement 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 so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The school has appointed Education Financial Services (EFS) to carry out checks on financial systems and records. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area and clear segregation of duties are in place to minimise risks.

The Trust has continued to strengthen its risk management process. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its

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finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described in the Finance Policy. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Trust's pupil numbers are growing, risks to revenue funding from a falling roll are small. However, the uncertainty of the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Business Committee meetings. The Trustees also ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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.

FUNDRAISING

The Trust only held small fundraising events during the year such as non-uniform days and cake sales, mindful of the communities within which it operates. In circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is aware of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. Complaints would be handled and monitored through the Trust's complaints procedure. During the year no complaints or issues have arisen as a result of fundraising events.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its students. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Wellesley Park Primary School joined the Trust on 1st September 2018 as a transfer from the Collaborative Academies Trust.

Isambard Kingdom Brunel Primary School, a new free school is due to open in September 2020, on the Longforth Farm development in Wellington.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

- Staff Consultation and Disability for Employees

With regard to staff consultation, the Trustees aim to ensure that staff of the Trust are consulted at all times on

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fundamental issues impacting upon their employment and conditions of service. Staff are encouraged to be part of a trade union and trade union representatives have regular meetings with the Headteachers of their respective schools. They are also encouraged to discuss anything of concern with a member of the SLT.

- Disability

The Trustees are committed to the elimination of discrimination in employment including disability discrimination. This applies to all stages of employment including recruitment and selection, development and training, pay, career progression, redundancy and retirement. This commitment is demonstrated in the Trust's staffing and equalities policies.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:

Mr M Richmond
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Castle Partnership 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 has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Castle Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the board of any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of has formally met 5 times during the year.

Attendance during the year at meetings of the board of was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Naylor	5	5
Mr M Richmond, Chair of Trustees	4	5
Mrs M Fox, Vice Chair	4	5
Mrs S Watson, Chief Executive Officer/Head Teacher of The Castle School	5	5
Mr M Mac Closkey	4	5
Mr C Atkins	5	5
Mrs C Hatch	2	2

A skills audit of all Governors took place during the summer of 2013 when the Multi Academy Trust was newly formed. This identified relevant competencies, experiences and skills of each Governor.

The most recent skills audits were carried out in January 2019 for Governors and October 2019 for Trustees. The skills, experience and competencies of Governors and Trustees are regularly reviewed and recruitment carried out to address any skills shortages.

LOCAL GOVERNING BODY MEETINGS – WELLESLEY PARK SCHOOL

GOVERNOR	MEETINGS ATTENDED	OUT OF A POSSIBLE
Sheila Naylor	3	6
Jo McLellan	3	6
Michael Mills	3	4
Hannah Gibson-Patel	4	4
Angelo Dalporto	4	4
Anna Wrightson	3	4
Carly Wilkins	4	4
June Anderson	2	2
Fiona Hopkins	2	2

BUSINESS COMMITTEE – THE CASTLE SCHOOL

GOVERNOR	MEETINGS ATTENDED	OUT OF A POSSIBLE
Michelle Fox	2	2
Marc Mac Closkey	2	2
Mike Yardley	2	2
Andy Simms	2	2
Matthew Scott	2	2
Janet Tall	2	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

BUSINESS COMMITTEE – COURT FIELDS SCHOOL

GOVERNOR	MEETINGS ATTENDED	OUT OF A POSSIBLE
David Taylor	2	3
Lisa Denson	3	3
Doug Rogers	3	3
Rachael Bennett	1	2
Lyndsey James	1	3
Becky Rowland	2	3
Dan Fox	2	3

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Targeted improvement: The Trust has kept its staffing structure under constant review and deployed staff efficiently to target curriculum areas in need of development. This has included sharing specialist staff from the secondary schools with the primary school in the Trust (eg Music and Languages).

Focus on individual pupils: The Trust has managed the differing needs of pupils, such as those requiring one to one support and those identified as gifted & talented. Where appropriate, funding has been targeted to support individual needs. A TA review identified the most effective practice with greatest impact on outcomes and work continues to focus on these areas.

Collaboration: The Trust has close links with its feeder primary schools and with other secondary schools. Within the multi-academy trust, we procure goods and services collectively where possible and share staff and resources across the academies in the Trust where it makes sense to do so. We are continuing to develop strategies to secure best value for money. Savings have been realised in legal fees, Health and safety support, accountancy and audit fees, software licences, finance support and staff training.

Along with a third secondary school in the area, both The Castle School and Court Fields Schools took our Catering Service in-house, sharing a Catering Manager, in order to bring about savings for the school and for students and to directly influence quality, choice and service.

Financial governance and oversight: The Trust benefits from the provision of the Responsible Officer (RO) function through Education Financial Services. The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Business Committees. The Trust's system of financial governance includes strong oversight by the trustees and the accounting officer. The full Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Board also receives and approves the Annual Accounts and the External Auditors' Management Report. The financial position is reviewed on a monthly basis by senior staff and on a termly basis by governors. In accordance with the updated Academies Financial Handbook, this will increase in regularity next year. In accordance with the Trust's financial policy, large items of expenditure are brought to the attention of governors to ensure the appropriate protocol has been followed and effectiveness of spending proposals in order to achieve value for money.

Better purchasing: For everyday small scale expenditure such as stationary and consumables we ensure we have access to a range of reputable suppliers and the Finance team will carry out regular price comparisons. If the lowest quote is not accepted, the reasons are recorded and reported. In order to get more for its money, the Trust constantly reviews its contracts, service agreements and commonly used suppliers. Contracts are renegotiated to get the best mix of quality and effectiveness for the least cost.

Benchmarking: The Trust benchmarks its costs against similar organisations to identify areas for making savings. We frequently use the Somerset Association of School Business Managers and the Financial Directors' Forum to compare costs and obtain recommendations on suppliers.

Options appraisal: Different options are explored before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term. Tendering is used when appropriate to get the best deal and three quotes are always sought for larger purchases.

Economies of scale: The Trust takes every opportunity to work collaboratively to reduce and share administration and procurement costs. In particular, across the schools in the Trust, with our feeder primary

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

schools and with other schools and academies in Somerset. For example, our in-house catering service servicing three secondary and eight primary schools has enabled us to negotiate good deals with suppliers.

Better income generation: The Trust maximises income generation wherever possible. For example, lettings income at The Castle School has increased over recent years through a number of longer term agreements. In April 2019, SCC's contract with 1610 ended which meant that The Castle School's sports facilities are now being managed by the school at all times. Hire of facilities outside of school hours will bring income into the school to provide a sinking fund and contribute to maintenance costs. Court Fields School also operates a thriving school lettings regime which generates income sufficient to offset against its annual spending plans. Investment opportunities for the Trust are regularly reviewed and deposits have been made in accounts which have higher interest rates. Extra income has been achieved as a result of this. In addition, funding bids are made wherever appropriate in order to obtain external funding. The Castle School has been successful in obtaining capital grant funding (CIF) six years out of eight. Court Fields has been successful in obtaining capital grant funding four years out of six. Wellesley Park has been successful in its first year of applying.

Reviewing controls and managing risks: The Trust has organised its internal controls to maximise its use of assets. Budget holders and governors receive regular budget reports in order that they can make wise decisions on purchasing and prioritise accordingly. Monthly budget monitoring reports are reviewed by the Business Manager in each school and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Departments are recharged for photocopying and stationery costs, for example, which ensures that they make value for money decisions and prevent waste. Bank balances and investments are reviewed regularly to manage risks whilst still gaining interest. Appropriate insurances are obtained to manage risks.

Lessons learned: The Trust is constantly striving to learn from its strategies and decisions in order to make the budget go further.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Castle Partnership Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to not appoint an internal auditor. However, the Trustees have appointed Education Financial Services to carry out the role of Responsible Officer (RO).

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

- testing of payroll systems
- testing of purchasing systems
- testing of control account/ bank reconciliations

On a termly basis, the RO reported to the Business Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Due to the implementation of a new finance system, the Responsible Officer was unable to produce termly reports as no fieldwork testing was able to be completed. The Responsible Officer did however visit each site during to year to examine and discuss the processes in place within the schools. Once the issues with financial system had been resolved and the year end process completed, the Responsible Officer visited the schools within The Trust to complete the fieldwork testing. The Trust is awaiting written receipt of these reports and presentation to the relevant governance committees, however no issues were identified during the visits.

Review of effectiveness

As accounting officer, the Executive 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 RO;
- the work of the external auditors;
- The work of the Business Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business committee and a plan to ensure continuous improvement of the system is in place.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:

Mr M Richmond
Chair of Trustees

Mrs S Watson
Accounting Officer

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Castle Partnership Trust I have considered my responsibility to notify the Multi-Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

Mrs S Watson
Accounting Officer

Date: 18 December 2019

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

Mr M Richmond
Chair of Trustees

Date: 18 December 2019

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CASTLE PARTNERSHIP TRUST**

Opinion

We have audited the financial statements of The Castle Partnership Trust (the 'multi-academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Multi-Academy Trust 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 Multi-Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 Multi-Academy Trust 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.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Multi-Academy Trust 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 Multi-Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi-Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

19 December 2019

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CASTLE PARTNERSHIP TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 December 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Castle Partnership Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Castle Partnership Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Castle Partnership Trust's funding agreement with the Secretary of State for Education dated 20 December 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Conclusion

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

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 19 December 2019

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfers on conversion		57,465	(381,000)	2,694,459	2,370,924	-
Other donations and capital grants		-	35,064	1,381,342	1,416,406	2,657,947
Charitable activities	4	542,519	11,318,018	-	11,860,537	9,766,280
Other trading activities	6	280,965	-	-	280,965	191,897
Investments	7	9,995	-	-	9,995	3,259
Total income		890,944	10,972,082	4,075,801	15,938,827	12,619,383
Expenditure on:						
Raising funds		2,301	-	-	2,301	6,473
Charitable activities		718,999	11,604,191	745,147	13,068,337	11,078,065
Total expenditure		721,300	11,604,191	745,147	13,070,638	11,084,538
Net income/ (expenditure)		169,644	(632,109)	3,330,654	2,868,189	1,534,845
Transfers between funds	21	-	(79,549)	79,549	-	-
Net movement in funds before other recognised gains/(losses)		169,644	(711,658)	3,410,203	2,868,189	1,534,845
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(945,000)	-	(945,000)	1,192,000
Net movement in funds		169,644	(1,656,658)	3,410,203	1,923,189	2,726,845
Reconciliation of funds:						
Total funds brought forward		1,085,351	(4,848,391)	25,017,582	21,254,542	18,527,697
Net movement in funds		169,644	(1,656,658)	3,410,203	1,923,189	2,726,845
Total funds carried forward		1,254,995	(6,505,049)	28,427,785	23,177,731	21,254,542

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The notes on pages 31 to 63 form part of these financial statements.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07657731**

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	26,667,254	21,646,429
		<u>26,667,254</u>	<u>21,646,429</u>
Current assets			
Stocks	16	2,736	-
Debtors	17	1,867,352	2,872,490
Cash at bank and in hand		2,569,298	2,631,565
		<u>4,439,386</u>	<u>5,504,055</u>
Creditors: amounts falling due within one year	18	(680,928)	(549,384)
		<u>3,758,458</u>	<u>4,954,671</u>
Net current assets		3,758,458	4,954,671
Total assets less current liabilities		30,425,712	26,601,100
Creditors: amounts falling due after more than one year	19	(94,981)	(109,558)
		<u>30,330,731</u>	<u>26,491,542</u>
Net assets excluding pension liability		30,330,731	26,491,542
Defined benefit pension scheme liability	28	(7,153,000)	(5,237,000)
		<u>23,177,731</u>	<u>21,254,542</u>
Total net assets		23,177,731	21,254,542
Funds of the Multi-Academy Trust			
Restricted funds:			
Fixed asset funds	21	28,427,785	25,017,582
Restricted income funds	21	647,951	388,609
		<u>29,075,736</u>	<u>25,406,191</u>
Restricted funds excluding pension asset	21	29,075,736	25,406,191
Pension reserve	21	(7,153,000)	(5,237,000)
		<u>21,922,736</u>	<u>20,169,191</u>
Total restricted funds	21	21,922,736	20,169,191
Unrestricted income funds	21	1,254,995	1,085,351
		<u>23,177,731</u>	<u>21,254,542</u>
Total funds		23,177,731	21,254,542

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07657731**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

The financial statements on pages 26 to 63 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:

Mr M Richmond
Chair of Trustees

The notes on pages 31 to 63 form part of these financial statements.

**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	5,640,966	(763,006)
Cash flows from investing activities	25	(5,686,573)	1,466,475
Cash flows from financing activities	24	(16,660)	(16,660)
Change in cash and cash equivalents in the year		(62,267)	686,809
Cash and cash equivalents at the beginning of the year		2,631,565	1,944,756
Cash and cash equivalents at the end of the year	26	<u>2,569,298</u>	<u>2,631,565</u>

The notes on pages 31 to 63 form part of these financial statements

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 Multi-Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Castle Partnership Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

1. Accounting policies (continued)

1.3 INCOME

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

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

Where assets and liabilities are received by the Multi-Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Multi-Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Multi-Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Multi-Academy Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Multi-Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Multi-Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 INTEREST RECEIVABLE

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

1. Accounting policies (continued)

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 raising funds includes all expenditure incurred by the Multi-Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All resources expended are inclusive of irrecoverable VAT.

1.6 TANGIBLE FIXED ASSETS

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

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

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

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1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (continued)

Long-term leasehold property	- 2% straight line
Office equipment	- 10% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% straight line

On conversion the Multi-Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

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

1. Accounting policies (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 TAXATION

The Multi-Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Multi-Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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. Accounting policies (continued)

1.12 PENSIONS

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

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

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

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

1.13 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.14 OPERATING LEASES

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

1. Accounting policies (continued)

1.15 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.16 AGENCY ARRANGEMENTS

The Multi-Academy Trust acts as an agent in arranging school trips for pupils. Payments received from pupils and subsequent disbursements to travel agents are excluded from the Statement of Financial Activities as the Multi-Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 33.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Multi-Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Multi-Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	57,465	3,103,509	3,160,974	59,710
Capital Grants	-	626,356	626,356	2,598,237
Total 2019	<u>57,465</u>	<u>3,729,865</u>	<u>3,787,330</u>	<u>2,657,947</u>
Total 2018	<u>13,939</u>	<u>2,644,008</u>	<u>2,657,947</u>	

4. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from charitable activities - Education	445,359	11,318,018	11,763,377	9,766,280
Income from charitable activities - Nursery	97,160	-	97,160	-
Total 2019	<u>542,519</u>	<u>11,318,018</u>	<u>11,860,537</u>	<u>9,766,280</u>
Total 2018	<u>414,605</u>	<u>9,351,675</u>	<u>9,766,280</u>	

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5. Funding for the Multi-Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	10,287,164	10,287,164	8,607,908
Other DfE/EFSA grants	-	766,656	766,656	521,061
	-	11,053,820	11,053,820	9,128,969
Other Government Grants				
High Needs	-	176,109	176,109	125,179
Other government grants: non-capital	-	73,419	73,419	-
	-	249,528	249,528	125,179
Other funding				
Internal catering income	351,170	-	351,170	346,640
Other	94,189	14,670	108,859	165,492
Total 2019	445,359	11,318,018	11,763,377	9,766,280
Total 2018	414,605	9,351,675	9,766,280	

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6. Other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	95,358	95,358	60,958
Catering	173,980	173,980	117,261
Other	11,627	11,627	13,678
Total 2019	<u>280,965</u>	<u>280,965</u>	<u>191,897</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	9,995	9,995	3,259
	<u>9,995</u>	<u>9,995</u>	<u>3,259</u>

All prior year income related to unrestricted funds.

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading:					
Direct costs	-	-	2,301	2,301	6,473
Education:					
Direct costs	7,926,722	684,769	634,600	9,246,091	7,401,814
Support costs	2,096,076	567,111	1,068,751	3,731,938	3,676,251
Nursery:					
Direct costs	86,578	-	1,643	88,221	-
Support costs	-	-	2,087	2,087	-
Total 2019	<u>10,109,376</u>	<u>1,251,880</u>	<u>1,709,382</u>	<u>13,070,638</u>	<u>11,084,538</u>
Total 2018	<u>8,576,026</u>	<u>1,158,694</u>	<u>1,349,818</u>	<u>11,084,538</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	9,246,091	3,731,938	12,978,029	11,078,065
Nursery	88,221	2,087	90,308	-
Total 2019	<u>9,334,312</u>	<u>3,734,025</u>	<u>13,068,337</u>	<u>11,078,065</u>
Total 2018	<u>7,401,814</u>	<u>3,676,251</u>	<u>11,078,065</u>	

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	148,000	-	148,000	43,500
Staff costs	7,782,936	86,578	7,869,514	6,331,967
Depreciation	684,748	-	684,748	503,115
Educational supplies	218,920	1,351	220,271	123,917
Examination fees	137,192	-	137,192	150,413
Staff development	47,703	231	47,934	-
Other costs	82,806	61	82,867	102,010
Supply teachers	143,786	-	143,786	146,892
Total 2019	<u>9,246,091</u>	<u>88,221</u>	<u>9,334,312</u>	<u>7,401,814</u>
Total 2018	<u>7,401,814</u>	<u>-</u>	<u>7,401,814</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	-	-	-	106,500
Staff costs	2,096,076	-	2,096,076	2,097,167
Depreciation	75,287	-	75,287	55,133
Recruitment and support	105,220	-	105,220	50,004
Maintenance of premises and equipment	266,325	-	266,325	375,385
Rent and rates	74,208	1,670	75,878	71,834
Energy costs	152,337	-	152,337	153,241
Insurance	48,803	-	48,803	47,070
Security and transport	54,140	16	54,156	66,283
Catering	345,619	89	345,708	231,922
Office overheads	160,733	112	160,845	164,103
Legal and professional	314,544	200	314,744	215,554
Bank interest and charges	7,388	-	7,388	1,986
Governance	31,258	-	31,258	40,069
Total 2019	3,731,938	2,087	3,734,025	3,676,251
Total 2018	3,676,251	-	3,676,251	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	51,100	25,034
Depreciation of tangible fixed assets	760,035	558,248
Fees paid to auditors for:		
- audit	11,300	10,600
- other services	5,000	4,020

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	7,522,989	6,332,851
Social security costs	701,727	577,851
Pension costs	1,740,874	1,488,814
	9,965,590	8,399,516
Agency staff costs	143,786	146,892
Staff restructuring costs	-	29,618
	10,109,376	8,576,026

Staff restructuring costs comprise:

	2019	2018
	£	£
Severance payments	-	29,618
	-	29,618

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs in 2018 is one non-statutory/non-contractual severance payment of £29,618 of which £24,500 was funded from the RPA insurance.

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	134	113
Administration and support	196	117
Management	13	11
	343	241

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11. Staff costs (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	124	102
Administration and support	124	91
Management	13	11
	261	204

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

e. Key management personnel

The key management personnel of the Multi-Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees), the CEO and the Senior Leadership Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Multi-Academy Trust was £527,805 (2018: £548,706).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by Key Management Personnel above.

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12. Central services

The Multi-Academy Trust has provided the following central services to its academies during the year:

- CEO
- Company Secretary/ Clerk to Governors
- Trust Business Support and Governance

The Multi-Academy Trust charges for these services on the following basis:

Central services have been charged to each school on the basis of actual costs incurred

The actual amounts charged during the year were as follows:

	2019 £	2018 £
The Castle School	95,156	-
Court Fields School	74,878	-
Wellesley Park Primary School	44,750	-
Total	214,784	-

13. Trustees' remuneration and expenses

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £22).

Headteacher only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Multi-Academy Trust in respect of their role as governors. The value of governors' remuneration was as follows: S Watson £105,000 - £110,000 (2019: £105,000 - £110,000). Contributions to a pension scheme for this employee was: S Watson £15,000 - £20,000 (2018: £15,000 - £20,000).

14. Trustees' and Officers' insurance

The Multi-Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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15. Tangible fixed assets

	Long-term leasehold property £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	23,582,320	529,241	680,827	22,725	24,815,113
Additions	2,877,036	77,203	152,931	-	3,107,170
Transfers on conversion	3,121,988	69,587	24,179	-	3,215,754
At 31 August 2019	<u>29,581,344</u>	<u>676,031</u>	<u>857,937</u>	<u>22,725</u>	<u>31,138,037</u>
Depreciation					
At 1 September 2018	2,281,687	287,862	576,410	22,725	3,168,684
Charge for the year	573,492	68,287	118,256	-	760,035
Transfers on conversion	472,550	60,417	9,097	-	542,064
At 31 August 2019	<u>3,327,729</u>	<u>416,566</u>	<u>703,763</u>	<u>22,725</u>	<u>4,470,783</u>
Net book value					
At 31 August 2019	<u>26,253,615</u>	<u>259,465</u>	<u>154,174</u>	<u>-</u>	<u>26,667,254</u>
At 31 August 2018	<u>21,300,633</u>	<u>241,379</u>	<u>104,417</u>	<u>-</u>	<u>21,646,429</u>

16. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>2,736</u>	<u>-</u>

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17. Debtors

	2019	2018
	£	£
Due after more than one year		
Prepayments and accrued income	-	207,611
	<u>-</u>	<u>207,611</u>
Due within one year		
Trade debtors	92,064	61,105
Prepayments and accrued income	1,006,242	2,443,078
VAT recoverable	769,046	160,696
	<u>1,867,352</u>	<u>2,872,490</u>

18. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	3,600	3,600
ESFA loans	14,576	16,659
Trade creditors	82,122	1,602
Other taxation and social security	329,526	156,492
Other creditors	43,548	174,460
Accruals and deferred income	207,556	196,571
	<u>680,928</u>	<u>549,384</u>
	2019	2018
	£	£
Deferred income at 1 September 2018	35,726	21,180
Resources deferred during the year	80,952	35,726
Amounts released from previous periods	(35,726)	(21,180)
	<u>80,952</u>	<u>35,726</u>

At the Balance Sheet date the Multi-Academy Trust was holding funds received in advance for trips due to take place in the 2019/20 academic year and in relation to rates relief.

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19. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	9,600	9,600
ESFA loans	85,381	99,958
	<u>94,981</u>	<u>109,558</u>
	<u>94,981</u>	<u>109,558</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019	2018
	£	£
Payable or repayable by instalments	27,071	33,319
	<u>27,071</u>	<u>33,319</u>
	<u>27,071</u>	<u>33,319</u>

The other loan is a Local Authority loan inherited on conversion. Repayment terms are £3,600 annually however no repayment was made in the year. There is no interest associated with this loan and no items secured on this loan.

The ESFA loan is a Condition Improvement Fund (CIF) loan of £99,957 repayable in 6 monthly instalments over 8 years with an applicable annual interest rate of 0%.

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20. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	2,569,298	2,631,565
Financial assets that are debt instruments measured at amortised cost	1,022,853	2,670,919
	<u>3,592,151</u>	<u>5,302,484</u>
	2019	2018
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	(366,248)	(466,724)
	<u>(366,248)</u>	<u>(466,724)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise other loans, ESFA loans, trade creditors, other creditors and accruals.

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21. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Future Projects	123,475	-	(123,475)	153,162	-	153,162
General funds						
General Funds	638,373	890,944	(582,937)	(153,162)	-	793,218
Unrestricted fixed assets	323,503	-	(14,888)	-	-	308,615
	<u>961,876</u>	<u>890,944</u>	<u>(597,825)</u>	<u>(153,162)</u>	<u>-</u>	<u>1,101,833</u>
Total Unrestricted funds	<u>1,085,351</u>	<u>890,944</u>	<u>(721,300)</u>	<u>-</u>	<u>-</u>	<u>1,254,995</u>
Restricted general funds						
General Annual Grant (GAG)	361,779	10,287,164	(9,952,875)	(79,549)	-	616,519
High Needs funding	-	176,109	(176,109)	-	-	-
Pupil Premium	26,830	423,115	(442,594)	-	-	7,351
Other restricted income	-	167,807	(143,726)	-	-	24,081
Other ESFA income	-	192,463	(192,463)	-	-	-
UIFSM	-	66,424	(66,424)	-	-	-
Teaching school	-	40,000	(40,000)	-	-	-
Pension reserve	(5,237,000)	(381,000)	(590,000)	-	(945,000)	(7,153,000)
	<u>(4,848,391)</u>	<u>10,972,082</u>	<u>(11,604,191)</u>	<u>(79,549)</u>	<u>(945,000)</u>	<u>(6,505,049)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	15,900,425	2,694,459	(414,745)	-	-	18,180,139
Fixed assets purchased from GAG	1,272,149	-	(112,882)	79,549	-	1,238,816

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21. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
DfE/ESFA Capital Grants	2,937,526	626,356	(194,885)	2,597,073	-	5,966,070
Unspent CIF Grant	4,789,509	-	-	(2,652,045)	-	2,137,464
Fixed assets purchased from Start Up Grant	44,473	-	(962)	-	-	43,511
Non-government Capital Grants	73,500	-	(1,500)	-	-	72,000
Donated assets	-	754,986	(20,173)	-	-	734,813
Unspent DFC	-	-	-	54,972	-	54,972
	<u>25,017,582</u>	<u>4,075,801</u>	<u>(745,147)</u>	<u>79,549</u>	<u>-</u>	<u>28,427,785</u>
Total Restricted funds	<u>20,169,191</u>	<u>15,047,883</u>	<u>(12,349,338)</u>	<u>-</u>	<u>(945,000)</u>	<u>21,922,736</u>
Total funds	<u>21,254,542</u>	<u>15,938,827</u>	<u>(13,070,638)</u>	<u>-</u>	<u>(945,000)</u>	<u>23,177,731</u>

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

DESIGNATED FUNDS

The designated fund represents money designated by the Trustees in respect of ongoing CIF projects and curriculum and department funding.

UNRESTRICTED FUNDS

Unrestricted fixed assets - This represents funds transferred from unrestricted general funds to purchase fixed assets.

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Multi-Academy Trust, including education and support costs.

High Needs funding - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Multi-Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

Other restricted income - Other restricted income received for specific projects/needs.

Other ESFA income - Funds received from the ESFA other than GAG income. This includes insurance

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21. Statement of funds (continued)

income and a Start up grant.

Pension reserve - This represents the Multi-Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to a Multi-Academy Trust. The Multi-Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the Multi-Academy Trust from the Local Authority on conversion and a loan transferred due to an overspend on capital work in the predecessor school.

Fixed assets purchased from GAG - This represents funds transferred from the GAG restricted fund to purchase fixed assets.

DfE/ESFA Capital grants - These funds were received from the DfE/ESFA for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of fixed assets and any unspent grant amounts.

Unspent CIF grant - This represents CIF grant unspent at the year end for the DT refurbishment and classroom block project at The Castle School, and the window replacement project at Court Fields School.

Fixed assets purchased from Start up grant - This represents funds transferred from the restricted Start up grant fund to purchase fixed assets.

Non-government capital grants - These funds were received from England Athletics towards a fixed asset project.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
The Castle School	1,632,625	1,386,296
Court Fields School	137,389	87,664
Wellesley Park Primary School	132,932	-
Total before fixed asset funds and pension reserve	1,902,946	1,473,960
Restricted fixed asset fund	28,427,785	25,017,582
Pension reserve	(7,153,000)	(5,237,000)
Total	23,177,731	21,254,542

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21. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
The Castle School	3,919,793	1,073,135	112,713	976,046	6,081,687	6,083,428
Court Fields School	2,515,108	726,212	88,833	763,235	4,093,388	3,884,262
Wellesley Park Primary School	1,108,613	180,729	17,374	238,812	1,545,528	-
Multi-Academy Trust	<u>7,543,514</u>	<u>1,980,076</u>	<u>218,920</u>	<u>1,978,093</u>	<u>11,720,603</u>	<u>9,967,690</u>

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21. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
Future Projects	130,000	-	(98,390)	91,865	-	123,475
General funds						
General Funds	514,625	623,700	(376,477)	(123,475)	-	638,373
Unrestricted fixed assets	306,781	-	(14,888)	31,610	-	323,503
	821,406	623,700	(391,365)	(91,865)	-	961,876
Total Unrestricted funds	951,406	623,700	(489,755)	-	-	1,085,351
Restricted general funds						
General Annual Grant (GAG)	514,266	8,607,908	(8,664,890)	(95,505)	-	361,779
High Needs funding	-	125,179	(125,179)	-	-	-
Pupil Premium	24,576	359,108	(356,854)	-	-	26,830
Other restricted income	44,249	143,298	(187,547)	-	-	-
Other ESFA income	-	161,953	(161,953)	-	-	-
Pension reserve	(5,874,000)	-	(555,000)	-	1,192,000	(5,237,000)
	(5,290,909)	9,397,446	(10,051,423)	(95,505)	1,192,000	(4,848,391)
Restricted fixed asset funds						
Fixed assets transferred on conversion	16,239,084	-	(338,659)	-	-	15,900,425

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21. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Fixed assets purchased from GAG	1,276,551	-	(99,907)	95,505	-	1,272,149
DfE/ESFA Capital Grants	2,999,975	39,883	(102,332)	-	-	2,937,526
Unspent CIF Grant	2,234,905	2,554,604	-	-	-	4,789,509
Fixed assets purchased from Start Up Grant	45,435	-	(962)	-	-	44,473
Non-government Capital Grants	71,250	3,750	(1,500)	-	-	73,500
	<u>22,867,200</u>	<u>2,598,237</u>	<u>(543,360)</u>	<u>95,505</u>	<u>-</u>	<u>25,017,582</u>
Total Restricted funds	<u>17,576,291</u>	<u>11,995,683</u>	<u>(10,594,783)</u>	<u>-</u>	<u>1,192,000</u>	<u>20,169,191</u>
Total funds	<u><u>18,527,697</u></u>	<u><u>12,619,383</u></u>	<u><u>(11,084,538)</u></u>	<u><u>-</u></u>	<u><u>1,192,000</u></u>	<u><u>21,254,542</u></u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	323,503	-	26,343,751	26,667,254
Current assets	931,455	1,310,740	2,197,191	4,439,386
Creditors due within one year	37	(567,808)	(113,157)	(680,928)
Creditors due in more than one year	-	(94,981)	-	(94,981)
Provisions for liabilities and charges	-	(7,153,000)	-	(7,153,000)
Total	<u><u>1,254,995</u></u>	<u><u>(6,505,049)</u></u>	<u><u>28,427,785</u></u>	<u><u>23,177,731</u></u>

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	339,735	-	21,306,694	21,646,429
Debtors due after more than one year	-	-	207,611	207,611
Current assets	1,274,741	388,609	3,633,094	5,296,444
Creditors due within one year	(529,125)	-	(20,259)	(549,384)
Creditors due in more than one year	-	-	(109,558)	(109,558)
Provisions for liabilities and charges	-	(5,237,000)	-	(5,237,000)
Total	1,085,351	(4,848,391)	25,017,582	21,254,542

23. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	2,868,189	1,534,845
Adjustments for:		
Depreciation	1,302,099	558,248
Capital grants from DfE and other capital income	(245,356)	(2,598,237)
Interest received	(9,995)	(3,259)
Defined benefit pension scheme cost less contributions payable	442,000	405,000
Defined benefit pension scheme finance cost	148,000	150,000
(Increase) in stocks	(2,736)	-
Decrease in debtors	1,005,101	(868,775)
Increase in creditors	133,664	59,172
Net cash provided by/(used in) operating activities	5,640,966	(763,006)

24. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(16,660)	(16,660)
Net cash used in financing activities	(16,660)	(16,660)

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25. Cash flows from investing activities

	2019	2018
	£	£
Interest received	9,995	3,259
Purchase of tangible fixed assets	(6,322,924)	(1,135,021)
Capital grants from DfE Group	626,356	2,594,487
Capital funding received from sponsors and others	-	3,750
Net cash (used in)/provided by investing activities	<u>(5,686,573)</u>	<u>1,466,475</u>

26. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	2,569,298	2,631,565
Total cash and cash equivalents	<u>2,569,298</u>	<u>2,631,565</u>

27. Capital commitments

	2019	2018
	£	£
Contracted for but not provided in these financial statements	2,360,173	3,840,708

The commitment relates to projects for a new DT block and dining hall at The Castle School, a new water system and Music & Drama block at Court Fields School and a roof project at Wellesley Park Primary School. These projects will be funded by Condition Fund Improvement (CIF) income.

28. Pension commitments

The Multi-Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 Devon County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

28. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £ - (2018 - £698,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £506,000 (2018 - £497,000), of which employer's contributions totalled £394,000 (2018 - £386,000) and employees' contributions totalled £ 112,000 (2018 - £111,000). The agreed contribution rates for future years are 20.9 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.72	3.80
Rate of increase for pensions in payment/inflation	2.22	2.30
Discount rate for scheme liabilities	1.88	2.65

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(300)	(229)
Discount rate -0.1%	307	235
Mortality assumption - 1 year increase	467	333
Mortality assumption - 1 year decrease	(451)	(323)
CPI rate +0.1%	272	208
CPI rate -0.1%	(266)	(203)

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28. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	4,159,000	3,518,000
Gilts	350,000	262,000
Corporate bonds	537,000	442,000
Property	477,000	434,000
Cash and other liquid assets	349,000	233,000
Total market value of assets	5,872,000	4,889,000

The actual return on scheme assets was £389,000 (2018 - £188,000).

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

	2019	2018
	£	£
Current service cost	(1,217,000)	(791,000)
Interest income	142,000	114,000
Interest cost	(286,000)	(262,000)
Administrative expenses	(4,000)	(2,000)
Total amount recognised in the Statement of Financial Activities	(1,365,000)	(941,000)

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

	2019	2018
	£	£
At 1 September	10,126,000	10,139,000
Current service cost	719,000	791,000
Interest cost	286,000	264,000
Employee contributions	112,000	111,000
Actuarial losses/(gains)	1,192,000	(1,120,000)
Benefits paid	(279,000)	(59,000)
Past service costs	117,000	-
Liabilities assumed on settlements	752,000	-
At 31 August	13,025,000	10,126,000

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	2019	2018
	£	£
At 1 September	4,889,000	4,265,000
Interest income	142,000	116,000
Actuarial gains	247,000	72,000
Employer contributions	394,000	386,000
Employee contributions	112,000	111,000
Benefits paid	(279,000)	(59,000)
Administration expenses	(4,000)	(2,000)
Settlement prices received	371,000	-
At 31 August	5,872,000	4,889,000

29. Operating lease commitments

At 31 August 2019 the Multi-Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Within 1 year	42,353	17,300
Between 1 and 5 years	47,874	14,565
	90,227	31,865

30. 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.

31. General Information

The Castle Partnership Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is The Castle School, Wellington Road, Taunton, Somerset, TA1 5AU.

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32. Related party transactions

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

The following related party transactions took place in the year:

The Multi-Academy Trust made purchases of £3,160 (2018: £3,500) from Flow 360 Limited, a company in which M Richmond, a Trustee, has significant control. No balance was outstanding at the year end (2018: £NIL).

33. Agency arrangements

The Multi-Academy Trust acts as an agent in arranging school trips for pupils. In the accounting period ended 31 August 2019 the Multi-Academy Trust received £332,071 (2018: £262,604) and disbursed £360,760 (2018: £220,236) from the fund. An amount of £16,175 (2018: £47,499) is included in other creditors relating to undistributed funds.

34. Transfer of existing academies into the multi-academy trust

Wellesley Park

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Intangible assets			
Tangible fixed assets			
Freehold property	2,649,438	-	2,649,438
Furniture and equipment	9,170	-	9,170
Computer equipment	15,082	-	15,082
Current assets			
Stocks	2,736	-	2,736
Debtors due within one year	6,435	-	6,435
Cash at bank and in hand	104,728	-	104,728
Liabilities			
Creditors due within one year	(35,666)	-	(35,666)
Pensions			
Pensions - pension scheme liabilities	(646,000)	265,000	(381,000)
Net assets	<u>2,105,923</u>	<u>265,000</u>	<u>2,370,923</u>

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35. Teaching school trading account

	2019	2019	2018	2018
	£	£	£	£
Income				
Grant income	40,000		40,000	
Total income		40,000		40,000
Expenditure				
Direct staff costs	28,896		32,262	
Other staff costs	7,938		7,738	
Resources	3,166		-	
Total other expenditure	11,104		7,738	
Total expenditure		40,000		40,000
Teaching school balances at 31 August 2019				