

Company Registration Number: 08850163 (England & Wales)

CASTLE Trust

(A company limited by guarantee)

Annual report and financial statements

for the year ended 31 August 2020



CASTLE Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of Directors' responsibilities	18
Independent auditor's report on the financial statements	19 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 58

CASTLE Trust
(A company limited by guarantee)

Reference and Administrative Details

Members

Mrs H Fletcher-Reilly
Miss J Gundry (resigned 1 October 2020)
Mr R King (resigned 15 January 2020)
Mr J Stringer
Mr A Wouters

Directors

Mrs N Brosnan (appointed 14 November 2019)^{3,4,5}
Mr T Crayden^{1,4}
Mr C Purchase, Chair^{1,4}
Miss L Roper (resigned 14 November 2019)¹
Mr J McDonald (resigned 4 August 2020)^{3,4,6}
Ms K White, Chief Executive Officer and Accounting Officer¹
Mr C D Du Gray, Vice Chair^{1,4,5,6}

- ¹ Member Appointed Director
- ² Parent Director (we had no Parent Directors during the year as Parent Governors were elected by LACs)
- ³ Co-opted Director
- ⁴ Audit Committee member
- ⁵ Greenway Academy Local Advisory Committee member
- ⁶ Board Safeguarding Champion

Company registered number
08850163

Company name
CASTLE Trust

Principal and registered office
c/o Womble Bond Dickinson (UK) LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

Company secretary
Prima Secretary Limited

Chief executive officer
Ms K White

Executive leadership team
Ms K White, Chief Executive Officer
Mrs J Knight, Chief Finance Officer
Mr D Alexander, Trust Business Manager
Dr E Taaffe, Governance & Data Manager

CASTLE Trust
(A company limited by guarantee)

Reference and Administrative Details (continued)
for the year ended 31 August 2020

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Barclays Bank plc
263-265 High Street
Chatham
Kent
ME4 4BZ

Solicitors

Womble Bond Dickenson LLP
4 More London Riverside
London
SE1 2AU

CASTLE Trust
(A company limited by guarantee)

Directors' report
for the year ended 31 August 2020

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Directors' report and a directors' report under company law. The directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) 2019.

CASTLE Trust (the Trust) operates one academy:

Greenway Academy, for pupils aged 7 to 11 serving a catchment area across Horsham, West Sussex. It has a pupil admission number of 480 and had a roll of 400 in the 2019 autumn school census.

Following its Special Measures judgement in May 2018, the Department for Education determined that in order to secure the long term future of Delce Academy it should join the Inspire Partnership Trust. This was effective on 1st March 2020.

Structure, governance and management

a. Constitution

The Trust, a 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 Trust.

The directors of the charitable company are also its trustees.

Details of the Directors who served during the , and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Directors' indemnities

Subject to the provision of the Companies Act 2006, the Trust maintains Directors' and Officers' liability insurance, which gives appropriate cover for any liability incurred or legal action brought against them in their capacity as directors.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Directors

The current Articles of Association allow the Members to appoint up to eight directors through such process as they may determine.

The total number of directors (including the Chief Executive Officer) who are employees of the Trust must not exceed one third of the total number of directors.

The Trust must elect a minimum of two parent directors unless there are Local Advisory Committees that include at least two parent members (the Trust refers to its Local Governing Bodies as Local Advisory Committees). Parent directors are elected by parents of pupils registered at one or more of the Academies within the Trust. A parent director must be a parent of a pupil registered at one or more of the Academies within the Trust when they are elected. Any election of parent directors shall be held by secret ballot.

The directors may appoint co opted directors. Co opted directors are persons appointed to be a director by being co opted by directors who have not themselves been so appointed.

The term of office for any director is four years.

Subject to remaining eligible to be a particular type of director, any director may be re appointed or re elected.

Under the Articles of Association the directors are responsible for the appointment of the Local Advisory Committees of each Academy within the Trust, with the exception of parent governors for Local Advisory Committees who are elected through parents of pupils registered at the relevant academy. A scheme of delegation for each Local Advisory Committee is in place and this is regularly reviewed and the directors may alter or revoke this. Members of the Local Advisory Committees do not have to be directors of the Trust.

e. Policies adopted for the induction and training of Directors

The training and induction provided for new directors will depend on their existing experience. All directors are provided with the appropriate policies and documents they will need in order for them to undertake their role as a director, these include, but are not limited to, the current Trust Financial Procedures Manual and the Trust's Governance Toolkit. As there are normally only one or two new directors in a year, induction will be done informally and tailored specifically to the individual. Advantage will be taken of any relevant specific training opportunities offered by appropriate bodies. During the 2019/20 financial year, the Trust subscribed to the National Governance Association, the NGA Learning Link and The Key for School Governors. As such, the directors and the Local Advisory Committee members have access to professional guidance and electronic training modules.

Please refer to the governance statement on page 14 regarding details of governance reviews and how the Trust ensures directors are up to date with relevant legislation and training.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

f. Organisational structure

The Members of the Trust provide oversight of the governance of the Trust using an 'eyes on, hands off' approach. All Members were independent of the Trust Board. None of the Members are employed by the Trust. The Members appoint some of the Trust's directors (as outlined in Method of Recruitment and appointment or Election of Directors above) and amend the Articles of Association. The Members also appoint the Trust's auditors and receive the Annual Report and Financial Statements each year.

Directors have overall responsibility for the successful delivery of the Trust's aims and objectives by setting the strategic direction and policies of the Academies within it, overseeing and adopting annual plans, consolidating budgets and targets, monitoring the effective management of the Trust's finances and resources and ensuring that the quality of teaching and learning results in appropriate levels of attainment. Collectively the directors are referred to as the Trust Board. Below this there are the following sub-committees, working parties and panels:

The Audit Committee
Greenway Academy Local Advisory Committee
CEO Performance Review Panel

During the year the following committees and working parties were disbanded as a result of the transfer of Delce Academy out of the Trust: Delce Academy Local Advisory Committee; Headteachers' Working Party and Chairs' Working Party.

Please refer to the governance report for further details of Board and sub committee meetings held and the individuals involved.

The Chief Executive Officer is responsible to the Board for following the strategic direction set by directors, for implementing the Trust's agreed policies and for ensuring the delivery of excellent teaching and learning that results in appropriate achievement.

The Chief Executive Officer is the Trust's Accounting Officer.

g. Arrangements for setting pay and remuneration of key management personnel

A CEO's Performance Review Panel is in place to review the performance and pay for the CEO. The Panel meets at least once a year to evaluate the performance of the CEO and, depending on the results of this, make reward decisions. The performance and pay for Key Management Personnel is considered by the Audit Committee. The salary and rewards of Key Management Personnel are restricted by budgets and limited to bands which the CEO Performance Review Panel and Audit Committee review and agree upon.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,663,971
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

i. Related parties and other connected charities and organisations

In connection with the proposed transfer of Greenway Academy to GLF Schools, the Trust will enter into a Transfer Agreement during the 2020/21 Academic Year.

Further details regarding other related parties can be found within the notes to the financial statements.

Objectives and activities

a. Objects and aims

The principal object and aim of the Trust is to advance educational benefit in the UK by providing a broad and balanced curriculum in its schools that satisfies the requirements of the Education Act 2002 and meets the needs of primary pupils of all abilities so that they become:

- Successful learners who make progress and achieve;
- Confident individuals who lead safe and healthy lives.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the Trust are:

- Provide a stimulating learning environment that motivates all pupils to achieve their full potential;
- Provide a caring and supportive environment in which pupils feel happy, confident and safe;
- Provide a broad and balanced curriculum that meets the needs of all pupils;
- Encourage the development of lively, enquiring minds capable of independent thought and expression;
- Encourage pupils to develop a range of personal skills that enables them to deal with challenge and change;
- Work in partnership with parents and carers to achieve the best outcomes for pupils;

The priorities for the Trust are:

- Continue to improve standards of attainment and progress to national levels, as a minimum;
- Ensure all pupil groups achieve their maximum potential, with particular regard to disadvantaged pupils, ensuring pupil premium funding is highly impactful;
- Ensure PE funding is used to raise awareness of healthy life styles, ensure all pupils have high quality first teaching in PE and to improve the engagement of pupils in competitive sport both within school and with the wider school community;
- Ensure high quality systems of assessment are used to inform teachers and parents about the next steps for pupils, maximising their progress over Key Stage 2.
- Ensure policy, practise, support and challenge in school supports the school's pupils to achieve national targets;
- Ensure all pupils are safeguarded, learn to keep themselves safe and understand and respect diversity;
- Continue to develop leadership capacity at all levels

In order to achieve these objectives, the Trust will:

Attainment and Achievement

- Develop teachers' understanding and skills in providing challenge and support for key focus groups;
- Develop teachers' understanding and skills to plan key focus groups;
- Develop teachers' understanding and skills at teaching focus groups within lessons to accelerate learning in lessons.

Quality of Provision

- Personalise learning for key groups within school, based on school performance data.

Teaching and Learning

- Continue to develop high quality teaching and learning, with a clear focus on professional development for all staff;
- Effectively induct new staff into the profession/school;
- Continue to develop SMSC in school to develop children as reflective, resilient, responsible life long learners;

Pupil Welfare

- Ensure pupil premium is used to remove the disadvantage gap;
- Support the emotional, social and behavioural development of all pupils, with particular focus on our most vulnerable groups;
- Continue to develop parental engagement in learning, raising aspirations for pupils and their families;
- Ensure pupils have a good understanding of healthy lifestyles, ensuring that they can keep themselves healthy and safe, achieve excellent educational outcomes which support their ambitions;

Curriculum

- Continue to implement the National Curriculum within our creative curriculum;
- Embed an effective assessment policy, using formative and summative data to best inform teaching and learning.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Objectives and activities (continued)

Leadership and Governance

- Continue to develop understanding and use of data in school, by all, so that support and challenge is tightly focussed on areas for improvement;
- Continuing to develop middle leaders to enhance leadership capacity in school at all levels;
- Continue to provide development opportunities for directors based on skills audit.

c. Public benefit

In setting the objectives and planning activities, directors have given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that its these aims and objectives are clearly for the public benefit.

Strategic report

Achievements and performance

Through operating Delce Academy (until its transfer) and Greenway Academy, the Trust continued to:

- Provide a stimulating learning environment that motivates all pupils to achieve their full potential;
- Provide a caring and supportive environment in which pupils feel happy, confident and safe;
- Provide a broad and balanced curriculum that meets the needs of all pupils;
- Encourage the development of lively, enquiring minds capable of independent thought and expression;
- Encourage pupils to develop a range of personal skills that enables them to deal with challenge and change;
- Work in partnership with parents and carers to achieve the best outcomes for pupils;

The Trust achieved the orderly transfer of Delce Academy to the Inspire Partnership with effect from 1 March 2020.

In line with the strategy agreed by the Board as in the best interests of its beneficiaries, the Trust identified a new trust for Greenway Academy to transfer to: GLF Schools. The Trust continues to work closely with the Department for Education and GLF to effect the transfer. Once the transfer is complete the Trust will close.

Covid-19 has impacted the Trust in terms of the closure of Greenway Academy in line with Government requirements from March to July. The school re-opened to Year 6 pupils and on a reduced basis to all year groups in July and fully re-opened in line with Government requirements and advice. Policies have been updated and measures introduced to provide reasonable protection to staff and pupils from transmission of Covid-19. Incurred costs will be claimed back via the Covid Relief system.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Delce Academy:

Official data is the 2019 data as Formal SATS were not completed as a result of COVID 19.

Moderated data not available for Delce Academy due to transfer.

Greenway Academy:

Official data is the 2019 data as Formal SATS were not completed as a result of COVID-19.

Internal school data at the end of the academic year showed that children had accessed high quality remote learning and benefitted from returning to school in term 6 to complete their key stage 2 learning journey.

Moderated school data showed that over the four years, the children had achieved accelerated progress from a very low on-entry point in Year 3.

- Maths progress +2.0
- Writing progress +2.7
- Reading progress +4.2

Combined expected 71%
Combined GD 13%

Key groups

SEN positive progress

- Maths +0.6
- Writing +1.8
- Reading +2.8

PP Children

- Maths – 1.1
- Writing +0.8
- Reading +3.9
- Attendance up to March 23rd was 97%
- Attendance of Key Worker pupils and vulnerable pupils was high during the national lockdown period.
- Attendance during the return to school offer was very high, with few children absent from school.
- The school ensured through lock down that remote learning was available for all children, applied for and issued out laptops allocated by the Government for disadvantaged pupils. Barriers were acknowledged and removed where possible for the school community.
- Safeguarding procedures were paramount during the national lockdown, ensuring all families were in contact with the school throughout lockdown, protecting children and supporting their mental well-being.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

The Trustees are mindful of their legal duty to ensure the Trust at all times trades solvently. Based on funding assurances received from the ESFA and subsequently shared with the trust's auditors, the Trustees have been advised and are satisfied that the Trust can be wound up in an orderly manner and meet all of its liabilities.

The Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF as soon as possible on or after 1 January 2021 (dependent on RSC/ESFA capacity to achieve the agreed date) and based on this, the Trustees have made the decision to wind up the Trust in due course thereafter. Therefore, the Trust has prepared these accounts on a basis other than a going concern.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies note 1.2.

Financial Review

During the period to 31 August 2020 income, including capital income was £3,243,108 of which £150,251 was unrestricted income. Total expenditure, excluding the transfer of Delce Academy out of the Trust, for the period to 31 August 2020 was £4,296,163 of which:

- Employee costs of £3,466,393 represented 81% of total expenditure

Represented by:

- Teaching and supply £2,603,952 equals 75% of employee costs
- Other staff £862,441 equals 25% of employee costs
- Premises related costs of £332,958 represented 9% of total expenditure
- Educational supplies and services of £175,661 represented 4% of total expenditure.

The operating deficit excluding pension reserve adjustments and transfer of Delce Academy from the Trust for the period ended 31 August 2020 was £1,053,055. This includes depreciation charges of £133,740 and a provision for staff restructuring costs which will crystallise upon the closure of the Trust of £394,310.

Expenditure in the year has supported the key objectives of the Trust with local budgets being set in partnership with individual schools and in line with individual school operational requirements.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

a. Reserves policy

The Trustees review the level of reserves annually in line with the Trust Central Funding and Appeals Policy.

Types of Reserves

Trust reserves can be used for 'restricted' or unrestricted' purposes depending on the source of funding.

Unrestricted reserves can be defined as income funds from grants or donations that can be spent at the discretion of the Trustees.

Restricted reserves are mainly derived from government funded grants but may also include other grants or donations provided for a specific purpose.

Key Principles

Individual Academy Balances

For the purposes of monitoring, records of individual academy balances will be kept, however, at the year-end, any academy balances being carried forward will be considered under the Trust policies and guidance in relation to reserves and budget setting. All funds remain that of the Trust and will be consolidated into the annual financial Statements. However, individual academy reserve balances of £10,000 will be reported in the annual financial statements.

Each academy will report a £10,000 surplus, with any other surplus or deficit identified in the annual financial statements being consolidated into the Central Trust reserves. The Trust's Central reserves balance may be compromised of restricted or unrestricted reserves.

Any balance in relation to restricted funding being consolidated into reserves will be reported to Trustees in a separate report.

Academies leaving or joining the Trust

Should any academy not be part of the Trust in future periods the level of reserves and cash transferred with that academy will be equivalent to that which is shown in the annual financial statements of £10,000 under the analysis of Academies by Fund Balance section.

An academy that joins the Trust will be given the medium term to build up its individual reserves to the required level. The Trustees will assess each academy individually and may make amendments to this target or offer financial support and investment from reserves held.

The Academy Trust's current level of reserves is £3,025,036 as at 31 August 2020, which includes unrestricted funds of £Nil and restricted income funds of (£842,706).

The Trust also has £12,406 of free capital reserves.

The restricted fund (excluding restricted fixed asset funds) at 31 August 2020 is in deficit by £842,706. This arises from the pension reserve fund, which represents the Trust's share of the LGPS fund deficit of £523,000 calculated in accordance with Financial Reporting Standard (FRS) 102, by both Barnett Waddingham LLP and Hymans Robertson LLP. Employer contributions are reviewed every three years in consultation with the scheme's administrators and employer contributions due by the Academy Trust have been fixed for the three years from April 2020. The remaining element of the deficit (£319,706) arises from the recognition of a provision for staff restructuring costs which will crystallise upon closure of the Trust.

CASTLE Trust
(A company limited by guarantee)

Directors' report (continued)
for the year ended 31 August 2020

b. Investment policy

The Trustees do not have a formal investment policy except that no speculative or other investments which may place the Trust's funds at unnecessary risk should be made.

c. Principal risks and uncertainties

The Trustees consider the principal risks and uncertainties to be:

- Financial viability in connection with transfer of Greenway Academy
- Uncertainty surrounding the impact of Covid-19 for 2020/21 in terms of health, safety and wellbeing of pupils and staff and the potential for further school closures
- The transfer of Greenway Academy to another Trust
- Confidence of staff and parents at Greenway Academy

Fundraising

The Trust does not work with or use any commercial participators or professional fundraisers. All funds from fundraising are recorded voluntary fund financial system and funds are received and monitored by Headteachers. Any complaints regarding fundraising should be referred to the Trusts complaints policy. The trust does not promote any intrusive or persistent fundraising approaches and wishes to ensure the safeguarding and protection of the public, including vulnerable groups.

Plans for future periods

The Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF Schools as soon as possible on or after 1 January 2021 and wind up the Trust in due course thereafter.

Funds held as custodian on behalf of others

The Trust holds no funds on behalf of others.

Provision of information to auditor

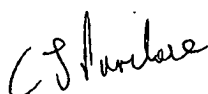
The Trustees have confirmed that, in so far as they are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. At the Annual General Meeting held on 17 November 2016, the Members appointed Kreston Reeves LLP for a period of five years ending 16 November 2021.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 29 January 2021 and signed on its behalf by:



Mr C Purchase
Chair of Trustees

CASTLE Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that CASTLE 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.

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 CASTLE Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The board of Directors has formally met 8 times during the 2019/20 academic year.

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

Director	Meetings attended	Out of a possible
Mrs N Brosnan, (appointed November 2019)	6	6
Mr T Crayden	4	8
Mr C D Du Gray, Vice Chair	8	8
Mr J McDonald, (resigned August 2020)	8	8
Mr C Purchase, Chair	8	8
Miss L Roper, (resigned November 2019)	0	2
Ms K White, Chief Executive Officer and Accounting Officer	8	8

The Trust took the following steps to improve governance during the year:

- The Board's Knowledge, Experience and Skills (KES) Matrix was updated periodically to reflect resignations and new joiners. The programme of training, information sharing and targeted recruitment to address gaps continued. Existing Directors also reviewed and updated their responses to the KES questionnaire;
- The Trust maintained its subscription to the National Governance Association (NGA), providing Directors, LAC Governors and Clerks with access to governance information and guidance and the NGA journal: Governance Matters;
- The Trust maintained its subscription to the NGA Learning Link, giving Directors, LAC Governors and Clerks access to e-learning modules in key areas, including governance;
- The Trust maintained its subscription to The Key for School Governors, giving access to Directors, LAC Governors, the Governance and Data Manager and the LAC Clerks to guidance and model documents;
- The Board reviewed and updated key governance documents including the Scheme of Delegation, LAC Constitution and Terms of Reference and annual planners;
- The Board appointed a Safeguarding Champion and published Terms of Reference for the role on its website;

CASTLE Trust
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Audit Committee will assist the Board with regard to the annual audit and accounts, internal controls and the sound management of the Trust's finances and resources. The Committee met formally 2 times during the year.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Nicole Brosnan	1	1
Toby Crayden	2	2
Carey Du Gray, Chair	2	2
John McDonald	2	2
Chris Purchase	2	2

Review of value for money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors 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 by:

- Continued centralisation of core service procurement to reduce the burden on individual schools and secure economies of scale
- Centralising Continued Professional Development to provide a cost-effective approach to training and to develop current and future leaders across the Trust
- Deploying Middle Leaders and curriculum specialists across the Trust for collaborative support in general and with individual projects
- Implementing Trust wide procurement savings including use of energy frameworks to renegotiate and renew contracts

The Trust was not impacted in its ability to achieve value for money by COVID-19.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 CASTLE Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee and the Board of Directors.

CASTLE Trust
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- regular reviews by the Audit 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
- identification and management of risks

The Board of Directors has decided to employ Kreston Reeves LLP as internal auditor.

The internal auditor'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 purchase systems
- testing of control accounts
- testing of bank reconciliations

The internal auditor undertook one visit during the financial period up to the point where Delce Academy left the Trust and reported to the Board of Directors through the Audit Committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

The newly revised FRC Ethical Standard for auditors means that Kreston Reeves LLP have now resigned as internal auditor to comply with the Standard. The Trust is now seeking to appoint a new internal auditor to cover the 2020-21 academic year up to the point of Trust closure.

A verbal report is made by the Chief Finance Officer at each Audit Committee meeting on the risk and control framework, which is then reported to the Board at each meeting. In addition, written reports are provided to the Audit Committee as and when these are available or required.

The internal auditor has delivered their schedule of work as planned. Some minor control failures were reported, with measures then implemented by management to remedy them. No control failures arose that were significant enough to indicate potential misstatement of the accounts, or financial or operational mismanagement or irregularity.

CASTLE Trust
(A company limited by guarantee)

Governance Statement (continued)

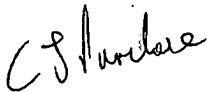
Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Directors on 29 January 2021 and signed on their behalf by:



Mr C Purchase
Chair of Trustees



Karen White
Accounting Officer

CASTLE Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of CASTLE Trust I have considered my responsibility to notify the Academy Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Directors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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 Directors and ESFA.



Ms K White
Accounting Officer
Date: 29 January 2021

CASTLE Trust
(A company limited by guarantee)

**Statement of Directors' responsibilities
for the year ended 31 August 2020**

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial . Under company law, the Directors 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 Directors are required to:

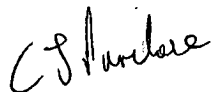
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 Directors on 29 January 2021 and signed on its behalf by:



Mr C Purchase
Chair of Trustees

CASTLE Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of CASTLE Trust

Opinion

We have audited the financial statements of CASTLE Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Emphasis of matter - financial statements prepared on a basis other than that of going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Academy Trust's ability to continue as a going concern.

As disclosed in notes 1.1 and 1.2, the Trustees have concluded that the Academy Trust is not a going concern following the planned transfer of Greenway Academy out of Trust as soon as possible on or after 1 January 2021 and based on this, the decision to wind up the Trust in due course thereafter. The financial statements have been prepared on a basis other than that of going concern.

CASTLE Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of CASTLE Trust (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Directors' 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

CASTLE Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of CASTLE Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CASTLE Trust
(A company limited by guarantee)

Independent auditor's Report on the financial statements to the Members of CASTLE Trust (continued)

Use of our report

This report is made solely to the 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 Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

Chatham Maritime

29 January 2021

CASTLE Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to CASTLE Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by CASTLE Trust during the year 1 September 2019 to 31 August 2020 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 CASTLE Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to CASTLE 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 CASTLE Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of CASTLE Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of CASTLE Trust's funding agreement with the Secretary of State for Education dated 19 March 2014 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CASTLE Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to CASTLE Trust and the Education & Skills Funding Agency (continued)

The work undertaken to draw to our conclusions include:

- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Ensured that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed Board of Director minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with
- Considered if the Trust's governance arrangements and composition are in-line with the Academies Financial Handbook 2019

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Kreston Reeves LLP

Date: 29 January 2021

CASTLE Trust
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	3,264	-	8,466	11,730	114,947
Charitable activities	6	-	3,084,391	-	3,084,391	4,672,172
Other trading activities	4	146,256	-	-	146,256	219,059
Investments	5	731	-	-	731	-
Total income		150,251	3,084,391	8,466	3,243,108	5,006,178
Expenditure on:						
Charitable activities	8	52,218	4,036,825	207,120	4,296,163	5,311,159
Transfer of existing academy out of trust	32	-	(856,000)	2,929,768	2,073,768	-
Total expenditure		52,218	3,180,825	3,136,888	6,369,931	5,311,159
Net income / (expenditure)		98,033	(96,434)	(3,128,422)	(3,126,823)	(304,981)
Transfers between funds	18	(462,967)	462,967	-	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(494,000)	-	(494,000)	(259,000)
Net movement in funds		(364,934)	(127,467)	(3,128,422)	(3,620,823)	(563,981)
Reconciliation of funds:						
Total funds brought forward		364,934	(715,239)	6,996,164	6,645,859	7,209,840
Net movement in funds		(364,934)	(127,467)	(3,128,422)	(3,620,823)	(563,981)
Total funds carried forward		-	(842,706)	3,867,742	3,025,036	6,645,859

All of the Academy Trust's activities derive from discontinuing operations. Further details can be found at note 1.2 to the financial statements.

The Statement of financial activities includes all gains and losses recognised in the year.

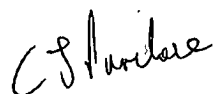
The notes on pages 28 to 58 form part of these financial statements.

CASTLE Trust
(A company limited by guarantee)
Registered number: 08850163

Balance sheet
as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	3,855,337	6,918,845
Current assets			
Debtors	16	15,515	96,807
Cash at bank and in hand		204,594	473,893
		<u>220,109</u>	<u>570,700</u>
Creditors: amounts falling due within one year	17	(527,410)	(45,686)
Net current liabilities / assets		<u>(307,301)</u>	<u>525,014</u>
Total assets less current liabilities		<u>3,548,036</u>	<u>7,443,859</u>
Defined benefit pension scheme liability	25	(523,000)	(798,000)
Total net assets		<u><u>3,025,036</u></u>	<u><u>6,645,859</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	3,867,742	6,996,164
Restricted income funds	18	(319,706)	82,761
Pension reserve	18	(523,000)	(798,000)
Total restricted funds	18	<u>3,025,036</u>	<u>6,280,925</u>
Unrestricted income funds	18	-	364,934
Total funds		<u><u>3,025,036</u></u>	<u><u>6,645,859</u></u>

The financial statements on pages 25 to 58 were approved by the Directors, and authorised for issue on 29 January 2021 and are signed on their behalf, by:



Mr C Purchase
Chair of Trustees

The notes on pages 28 to 58 form part of these financial statements.

CASTLE Trust
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	(253,496)	(317,559)
Cash flows from investing activities	21	(15,803)	104,732
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(269,299)	(212,827)
Cash and cash equivalents at 1 September 2019		473,893	686,720
		<hr/>	<hr/>
Cash and cash equivalents 31 August 2020	22, 23	204,594	473,893
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 28 to 58 form part of these financial statements

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies

CASTLE Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is c/o Womble Bond Dickinson (UK) LLP, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX. The place of business is Greenway Academy, Greenway, Horsham, West Sussex, RH12 2JS. The principal activity of the Academy Trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

As indicated in note 1.2, the Academy Trust is not considered to be a going concern. The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under a basis other than that of a going concern 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Under the basis other than that of a going concern, which includes where appropriate, writing down the Academy Trust's assets to net realisable value. The financial statements do not include provision for future costs of terminating the activity of the Academy Trust, except to the extent that such costs were committed at the balance sheet date.

1.2 Going concern

The Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF as soon as possible on or after 1 January 2021 and based on this, the Trustees have made the decision to wind up the Trust in due course thereafter. The Trustees are also working in close co-operation with the ESFA with regards to cashflows to support the Trust to the point of closure.

Based on the above, the Trustees do not consider the Academy Trust to be a going concern. As indicated in note 1.1 these financial statements have been prepared on the basis that the Academy Trust is not a going concern, with the Academy Trust ceasing following the date of transfer.

1.3 Fund accounting

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

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.

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

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Freehold land and buildings	- 2% straight line
Long-term leasehold property	- over the term of the lease
Fixtures, fittings and equipment	- 10% - 33% straight line

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

1.7 Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.8 Debtors

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

1.9 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 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.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.11 Cash at bank and in hand

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

1.12 Operating leases: the Academy Trust as a lessor

Rentals received under operating leases are credited to the Statement of financial activities on a straight line basis over the lease term.

1.13 Operating leases: the Academy as lessee

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

1.14 Interest receivable

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

1.15 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement 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 16. 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 note 17. 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.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

1. Accounting policies (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Multi-employer defined benefit pension scheme

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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £3,855,337 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Restructuring provision

Provision is made for restructuring obligations arising from the closure of the Trust. This provision requires management's best estimate of the costs that will be incurred, due to continued negotiations regarding the exit basis, based on legislative and contractual requirements.

CASTLE Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2020**

2. Critical accounting estimates and areas of judgement (continued)

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the directors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

Going concern

In the judgement of the Trustees it is appropriate to prepare the financial statements on a basis other than that of going concern. See note 1.2 for further details.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	3,264	-	3,264	10,215
DfE/ESFA capital grants	-	8,466	8,466	54,732
Capital grants from local authority	-	-	-	50,000
	3,264	8,466	11,730	114,947
Total 2019	12,590	347,189	359,779	

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

4. Other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	43,206	-	43,206	51,124
School trip and voluntary fund income	36,476	-	36,476	67,585
Other income	66,574	-	66,574	79,407
Supply teacher insurance claims	-	-	-	20,943
	<u>146,256</u>	<u>-</u>	<u>146,256</u>	<u>219,059</u>
Total 2019	<u>198,116</u>	<u>20,943</u>	<u>219,059</u>	

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	<u>731</u>	<u>731</u>	<u>-</u>

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

6. Funding for Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,530,641	2,530,641	3,831,275
Other DfE/ESFA grants	334,954	334,954	358,791
	<hr/> 2,865,595	<hr/> 2,865,595	<hr/> 4,190,066
Other government grants			
Local authority grants	218,796	218,796	482,106
	<hr/> 218,796	<hr/> 218,796	<hr/> 482,106
	<hr/> 3,084,391	<hr/> 3,084,391	<hr/> 4,672,172
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2019	<hr/> <hr/> 4,672,172	<hr/> <hr/> 4,672,172	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Academy Trust's educational operations					
Direct costs	2,603,952	79,062	269,479	2,952,493	3,432,400
Allocated support costs	862,441	253,896	227,333	1,343,670	1,878,759
Transfer of existing Academy out of Trust	-	-	2,073,768	2,073,768	-
	<hr/> 3,466,393	<hr/> 332,958	<hr/> 2,570,580	<hr/> 6,369,931	<hr/> 5,311,159
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2019	<hr/> <hr/> 3,988,635	<hr/> <hr/> 464,955	<hr/> <hr/> 857,569	<hr/> <hr/> 5,311,159	

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational activities	2,952,493	1,343,670	4,296,163	5,311,159
Total 2019	3,432,400	1,878,759	5,311,159	

Analysis of direct costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Maintenance of furniture & ICT	-	79,062	79,062	83,945
Educational supplies & services	52,218	107,891	160,109	141,913
Staff development & other staff costs	-	33,974	33,974	128,283
Professional fees - curriculum	-	75,396	75,396	320,917
Wages and salaries	-	1,999,540	1,999,540	2,238,858
National insurance	-	185,210	185,210	209,700
Pension cost	-	419,202	419,202	308,784
	52,218	2,900,275	2,952,493	3,432,400
Total 2019	51,084	3,381,316	3,432,400	

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

Analysis of support costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
FRS102 pension finance cost (note 25)	-	7,000	7,000	10,000
Staff costs	-	862,441	862,441	1,231,293
Depreciation	-	133,740	133,740	151,862
Maintenance of premises & equipment	-	44,371	44,371	183,163
Rates & water	-	28,962	28,962	16,346
Insurance	-	12,294	12,294	19,821
Equipment & services - non curriculum	-	36,241	36,241	58,324
Internal audit costs	-	1,250	1,250	2,500
Catering	-	31,925	31,925	55,478
Light & heat	-	34,529	34,529	55,404
Voluntary fund expenditure	-	-	-	11,061
Legal and professional fees - transfer out	-	81,345	81,345	65,657
Legal and professional fees - other	-	25,000	25,000	-
Auditor's remuneration	-	11,550	11,550	14,400
Auditor's remuneration - other audit costs	-	2,855	2,855	3,450
Other support costs	-	30,167	30,167	-
	-	1,343,670	1,343,670	1,878,759
Total 2019	43,639	831,213	874,852	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	6,034	9,711
Depreciation of tangible fixed assets	133,740	151,862
Internal audit costs	1,250	2,500
Fees paid to auditor for:		
- audit	11,550	14,400
- other services	2,855	3,450

Included within income is a provision of amounts due from West Sussex County Council for unpaid SEN fees in relation to the current financial year for the Maples project which totalled £139,354, as the recovery is in dispute.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	2,178,611	2,934,718
Social security costs	229,297	270,254
Pension costs	622,026	573,140
	3,029,934	3,778,112
Agency staff costs	121,867	161,108
Staff restructuring costs	314,592	49,415
	3,466,393	3,988,635

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	92,011	-
Severance payments	16,009	49,415
PILON	206,572	-
	314,592	49,415

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	35	52
Admin and Support	47	73
Management	6	9
	88	134

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	30	46
Admin and Support	25	41
Management	6	9
	61	96

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	2
In the band £100,001 - £110,000	-	1
In the band £200,001 - £210,000	1	-
In the band £260,001 - £270,000	1	-

The above bandings include a provision for restructuring costs pending the closure of the Trust amounting to £309,098.

The employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2020 pension contributions for these employees amounted to £164,617 (2019: £55,723) which included a provision of £66,871.

d. Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £716,524 (2019: £316,638).

The current year includes a provision for restructuring costs pending the closure of the Trust amounting to £394,310 (including employer pension contributions and employer national insurance contributions).

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

11. Central services

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

Financial services
 Educational support services
 Human resources

From 1 September 2018, the Trust elected to pool the General Annual Grant (GAG). Under this agreement, all income received by the academies within the Trust are centrally pooled.

12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2020 £	2019 £
Ms K White, Chief Executive Officer and Accounting Officer	Remuneration	265,000 - 270,000	105,000 - 110,000
	Pension contributions paid	60,000 - 65,000	15,000 - 20,000

The above disclosure includes a provision for restructuring costs of £150,000 - £155,000 (remuneration) and £35,000 - £40,000 (pension contributions).

During the year ended 31 August 2020, expenses totalling £5,862 were reimbursed or paid directly to 3 Directors (2019 - £4,159 to 4 Directors).

Other related party transactions involving the trustees are set out in note 29.

13. Directors' and Officers' insurance

The 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 Directors 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 Directors and officers indemnity element from the overall cost of the RPA scheme membership.

14. Other finance expense

	2020 £	2019 £
Interest on pension scheme liabilities	7,000	10,000
	<u>7,000</u>	<u>10,000</u>

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

15. Tangible fixed assets

	Freehold land & buildings £	Long-term leasehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation				
At 1 September 2019	4,160,033	3,050,292	571,719	7,782,044
Disposals	-	-	(10,032)	(10,032)
Transfer on academy leaving Trust	-	(3,050,292)	-	(3,050,292)
At 31 August 2020	4,160,033	-	561,687	4,721,720
Depreciation				
At 1 September 2019	402,788	108,224	352,187	863,199
Charge for the year	64,621	12,300	56,819	133,740
On disposals	-	-	(10,032)	(10,032)
Transfer on academy leaving Trust	-	(120,524)	-	(120,524)
At 31 August 2020	467,409	-	398,974	866,383
Net book value				
At 31 August 2020	3,692,624	-	162,713	3,855,337
At 31 August 2019	3,757,245	2,942,068	219,532	6,918,845

Included in freehold land and buildings is land at valuation on original transfer of £953,000 which is not depreciated.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	-	4,968
VAT recoverable	5,824	35,869
Prepayments and accrued income	9,691	55,970
	<u>15,515</u>	<u>96,807</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	8,461	11,646
Other taxation and social security	34,979	-
Other creditors	60,438	-
Accruals and deferred income	423,532	34,040
	<u>527,410</u>	<u>45,686</u>

	2020 £	2019 £
Deferred income at 1 September 2019	21,180	-
Resources deferred during the year	-	21,180
Amounts released from previous periods	(21,180)	-
Deferred income at 31 August 2019	<u>-</u>	<u>21,180</u>

At the prior year balance sheet date the Trust was holding Universal Free School Meals and High Needs funds received in advance for the 2019/20 academic year.

CASTLE Trust
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2020**

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	364,934	150,251	(52,218)	(462,967)	-	-
Restricted general funds						
General Annual Grant (GAG)	81,944	2,530,641	(3,271,258)	338,967	-	(319,706)
Other DfE/ESFA grants	-	334,954	(334,954)	-	-	-
Other Government grants	817	218,796	(219,613)	-	-	-
Pension reserve	(798,000)	-	645,000	124,000	(494,000)	(523,000)
	<u>(715,239)</u>	<u>3,084,391</u>	<u>(3,180,825)</u>	<u>462,967</u>	<u>(494,000)</u>	<u>(842,706)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	6,918,845	-	(3,063,508)	-	-	3,855,337
DfE/ESFA Capital grants	77,319	8,466	(73,380)	-	-	12,405
	<u>6,996,164</u>	<u>8,466</u>	<u>(3,136,888)</u>	<u>-</u>	<u>-</u>	<u>3,867,742</u>
Total Restricted funds	<u>6,280,925</u>	<u>3,092,857</u>	<u>(6,317,713)</u>	<u>462,967</u>	<u>(494,000)</u>	<u>3,025,036</u>
Total funds	<u><u>6,645,859</u></u>	<u><u>3,243,108</u></u>	<u><u>(6,369,931)</u></u>	<u><u>-</u></u>	<u><u>(494,000)</u></u>	<u><u>3,025,036</u></u>

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

Unrestricted funds are applied to the general work of the Academy Trust to support activities inside and outside the curriculum.

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/ESFA grants represent those grants provided for specific purposes to provide educational support to the pupils where required.

Other government grants represent those grants provided for specific purposes to provide additional support to the pupils where required.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

18. Statement of funds (continued)

The Restricted Fixed Asset Fund represents the leasehold buildings which were donated upon conversion to Academy status.

The DfE/ESFA capital grants fund is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities.

Other government grants within the Restricted Fixed Asset Fund represent capital grants provided to address improvements to buildings and other facilities.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

The Academy Trust is carrying a net deficit of £319,706 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The deficit arises due to the Trust recognising a provision for staff restructuring costs which have crystallised due to the decision to wind the Trust up following the pending transfer of Greenway Academy to GLF Schools post year end.

The Academy Trust is taking the following action to return these funds to surplus:

The Trust continues to maintain consistent dialogue with the ESFA regarding the closure of the Trust and has been assured cashflow support to ensure the Trust meet its liabilities until the Trust ceases to operate.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Delce Academy	-	10,000
Greenway Academy	10,000	10,000
Castle Trust	(329,706)	427,695
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(319,706)	447,695
Restricted fixed asset fund	3,867,742	6,996,164
Pension reserve	(523,000)	(798,000)
	<hr/>	<hr/>
Total	3,025,036	6,645,859
	<hr/> <hr/>	<hr/> <hr/>
		Deficit
		£
Castle Trust		(329,706)
		<hr/> <hr/>

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

18. 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 2020 £	Total 2019 £
Delce Academy	-	69,000	105,683	63,517	238,200	2,886,469
Greenway Academy	22,537	36,412	108,465	74,805	242,219	1,693,698
Castle Trust	2,653,888	684,556	35,956	307,604	3,682,004	579,130
Transfer of academy out of Trust	-	-	-	2,073,768	2,073,768	-
Academy Trust	2,676,425	789,968	250,104	2,519,694	6,236,191	5,159,297

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	234,119	208,331	(77,516)	-	-	364,934
Restricted general funds						
General Annual Grant (GAG)	154,947	3,831,276	(3,747,279)	(157,000)	-	81,944
Other DfE/ESFA grants	117,318	358,791	(476,109)	-	-	-
Other Government grants	-	482,105	(481,288)	-	-	817
Insurance receipts	-	20,943	(20,943)	-	-	-
Pension reserve	(424,000)	-	(272,000)	157,000	(259,000)	(798,000)
	<u>(151,735)</u>	<u>4,693,115</u>	<u>(4,997,619)</u>	<u>-</u>	<u>(259,000)</u>	<u>(715,239)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	7,070,707	-	(151,862)	-	-	6,918,845
DfE/ESFA Capital grants	56,749	54,732	(34,162)	-	-	77,319
Other Government grants	-	50,000	(50,000)	-	-	-
	<u>7,127,456</u>	<u>104,732</u>	<u>(236,024)</u>	<u>-</u>	<u>-</u>	<u>6,996,164</u>
Total Restricted funds	<u>6,975,721</u>	<u>4,797,847</u>	<u>(5,233,643)</u>	<u>-</u>	<u>(259,000)</u>	<u>6,280,925</u>
Total funds	<u><u>7,209,840</u></u>	<u><u>5,006,178</u></u>	<u><u>(5,311,159)</u></u>	<u><u>-</u></u>	<u><u>(259,000)</u></u>	<u><u>6,645,859</u></u>

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	3,855,337	3,855,337
Current assets	207,704	12,405	220,109
Creditors due within one year	(527,410)	-	(527,410)
Provisions for liabilities and charges	(523,000)	-	(523,000)
Total	(842,706)	3,867,742	3,025,036

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,918,845	6,918,845
Current assets	364,934	128,447	77,319	570,700
Creditors due within one year	-	(45,686)	-	(45,686)
Provisions for liabilities and charges	-	(798,000)	-	(798,000)
Total	364,934	(715,239)	6,996,164	6,645,859

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(3,126,823)	(304,981)
Adjustments for:		
Depreciation	133,740	151,862
Capital grants from DfE and other capital income	(8,466)	(104,732)
Interest receivable	(731)	-
Defined benefit pension scheme cost less contributions payable	105,000	105,000
Defined benefit pension scheme finance cost	7,000	10,000
Decrease/(increase) in debtors	81,292	(7,402)
Increase/(decrease) in creditors	481,724	(167,306)
Existing academy transferred out of Trust	2,073,768	-
Net cash used in operating activities	(253,496)	(317,559)

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	731	-
Capital grants from DfE Group and other capital income	8,466	104,732
Cash on transfer of existing Academy out of Trust	(25,000)	-
Net cash (used in)/provided by investing activities	(15,803)	104,732

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	204,594	473,893
Total cash and cash equivalents	204,594	473,893

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	473,893	(269,299)	204,594
	<u>473,893</u>	<u>(269,299)</u>	<u>204,594</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>71,040</u>	<u>-</u>

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council and West Sussex 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 2019.

Contributions amounting to £34,908 were payable to the schemes at 31 August 2020 (2019 - £ -) and are included within creditors.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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. 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% administration levy)
- 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £330,426 (2019 - £308,784).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. 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 2020 was £163,000 (2019 - £205,000), of which employer's contributions totalled £124,000 (2019 - £157,000) and employees' contributions totalled £39,000 (2019 - £48,000). The agreed contribution rates for future years are 20% for employers in Kent, 20.8% for employers in West Sussex and 5.5 to 12.5% per cent for employees in both counties.

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

Kent County Council Pension Fund

	2020 %	2019 %
Rate of increase in salaries	3.25	3.75
Rate of increase for pensions in payment / inflation	2.25	2.25
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.25	2.25
Inflation assumption (RPI)	3.05	3.25

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments (continued)

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

	2020 Years	2019 Years
Retiring today		
Males	21.8	22.1
Females	23.8	24.0
Retiring in 20 years		
Males	23.2	23.7
Females	25.2	25.8

West Sussex County Council Pension Fund

	2020 %	2019 %
Rate of increase in salaries	2.70	3.00
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.10	3.30

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

	2020 Years	2019 Years
Retiring today		
Males	22.2	21.8
Females	24.2	23.6
Retiring in 20 years		
Males	23.3	23.7
Females	25.9	25.8

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments (continued)

Sensitivity analysis

Kent County Council Pension Fund

	2020	2019
	£000	£000
Discount rate +0.1%	(21)	(36)
Discount rate -0.1%	21	36
Mortality assumption - 1 year increase	27	66
Mortality assumption - 1 year decrease	(26)	(64)
CPI rate +0.1%	(19)	2
CPI rate -0.1%	18	(2)

West Sussex County Council Pension Fund

	2020	2019
	£000	£000
Discount rate -0.5%	154	147
Salary rate +0.5%	8	28
Pension rate +0.5%	144	116

Share of scheme assets

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

	2020	2019
	£	£
Equities	871,000	1,299,000
Gilts	3,000	9,000
Other bonds	423,000	468,000
Property	137,000	217,000
Cash and other liquid assets	67,000	81,000
Absolute return fund	36,000	93,000
Total market value of assets	1,537,000	2,167,000

The actual return on scheme assets was £63,000 (2019 - £122,000).

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

25. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(229,000)	(251,000)
Past service cost	-	(11,000)
Interest income	34,000	53,000
Interest cost	(40,000)	(63,000)
Administrative expenses	(1,000)	-
Total amount recognised in the Statement of financial activities	(236,000)	(272,000)

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

	2020 £	2019 £
At 1 September	2,965,000	2,280,000
Current service cost	229,000	251,000
Transferred out on existing academies leaving the trust	(1,723,000)	-
Interest cost	40,000	63,000
Employee contributions	39,000	48,000
Actuarial losses	529,000	328,000
Benefits paid	(19,000)	(16,000)
Past service costs	-	11,000
At 31 August	2,060,000	2,965,000

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

	2020 £	2019 £
At 1 September	2,167,000	1,856,000
Administration expenses	(1,000)	-
Transferred out on existing academies leaving the trust	(842,000)	-
Interest income	34,000	53,000
Actuarial gains	35,000	69,000
Employer contributions	124,000	157,000
Employee contributions	39,000	48,000
Benefits paid	(19,000)	(16,000)
At 31 August	1,537,000	2,167,000

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Amounts due within one year	2,439	4,878
Amounts due between one and five years	-	2,439
	<u>2,439</u>	<u>7,317</u>

27. Lessor arrangements

At 31 August 2020 the total of the Academy Trust's future minimum lease receipts under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	30,336	30,000
Amounts due between one and five years	121,344	120,000
Amounts due after five years	212,352	270,000
	<u>364,032</u>	<u>420,000</u>

28. 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.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the director have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

Expenditure Related Party Transactions

During the prior year Mrs S King, the wife of Mr R King (a Member who resigned on 15 January 2020) continued to provide services as a free-lance teacher to CASTLE Trust. The cost to the Trust was £19,180. There were no amounts outstanding at 31 August 2019. Mrs King was paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a Member. Mrs S King has now resigned from her position as teacher and there have been no such transactions this year.

The Academy Trust made the transaction at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr R King neither participated in, nor influenced.

During the prior year Mrs H Russel, the sister of Mrs J Knight (a member of key management) was employed by CASTLE Trust as a class teacher for which she received remuneration of £10,000 - £15,000. There were no amounts outstanding at 31 August 2019. The Academy Trust made the appointment in accordance with its financial regulations prior to academy conversion, which Mrs J Knight neither participated in, nor influenced, and the Trustees were comfortable that Mrs H Russell's salary provided value for money and was not at a preferential rate. Mrs H Russel is no longer employed by the Trust and no transactions took place this year.

Mr R King (a Member who resigned on 15 January 2020) was reimbursed expenses incurred totalling £Nil during the year (2019: £19). There were no amounts outstanding at 31 August 2020 (2019: £nil).

Income Related Party Transaction

During the year the Trust received total income of £32,954 (2019: £38,329) from Greenway Nursery and Rainbow Club Ltd who operate a Nursery on Trust premises, of which Mrs H Fletcher-Reilly (a Member of CASTLE Trust) is a director along with family members. Income is comprised of £30,336, (2019: £30,000) lease payments as disclosed in note 27 plus additional income for maintenance charges and reimbursements of expenditure incurred. There were no amounts outstanding at 31 August 2020 (2019: £nil). The lease was entered into with GNRC Ltd prior to H Fletcher-Reilly becoming a member of the Trust. The lease arrangements have remained unchanged since H Fletcher-Reilly became a member, and are deemed to be at a market rate.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook.

30. Post balance sheet events

The Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF Schools as soon as possible on or after 1 January 2021 and wind up the Trust in due course thereafter.

CASTLE Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

31. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of directors. There is no ultimate controlling party.

32. Transfer out on academies leaving the academy trust

Delce Academy

	Transfer out on academy leaving the trust £
Tangible fixed assets	
Long-term leasehold property	2,929,768
Current assets	
Cash at bank and in hand	25,000
Pensions	
Pensions - pension scheme assets	842,000
Pensions - pension scheme liabilities	(1,723,000)
Net assets	<u><u>2,073,768</u></u>