

THE CASTLE PARTNERSHIP TRUST
(Formerly known as The Castle School)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI-ACADEMY TRUST, ITS MEMBERS/
TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members

Mrs S Naylor
Mr P Haines
Mrs K Sladden
Mrs M Fox
Mr M Mac Closkey (appointed 22 October 2014)
Mr G Price (appointed 11 November 2014)
Mr S Carter (appointed 22 October 2014)

Trustees

Mrs S Naylor, Chair^{1,2,3,4,5,6}
Mrs S Watson, Head Teacher of The Castle School
Ms R Bennett, Head Teacher of Court Fields School
Mrs M Fox^{2,3,6}
Mr P Haines^{1,3,4}
Mr G Price^{1,5,6}
Dr C Ritter^{5,6}
Mr S Carter¹
Dr M Yardley^{1,2,4}
Mrs K Sladden^{2,3,6}
Mrs S Pepper, Staff Governor^{4,5}
Mr M Mac Closkey^{2,3,4}
Mr D Simpson, Staff Governor⁵
Mr S Alcock^{1,5}
Mrs K Blackmore (resigned 31 December 2014)⁶
Mrs L Denson²
Mrs R Ellins^{2,4}
Mr T Kilshaw, Staff Governor (resigned 19 December 2014)^{4,5}
Mr D Taylor

- 1 Premises committee
- 2 Personnel committee
- 3 Members' Strategic committee
- 4 Finance committee
- 5 Education committee - Learner progress
- 6 Education committee - Curriculum & provisions

**Company registered
number**

07657731

**Principal and Registered
office** Wellington Road
Taunton
Somerset
TA1 5AU

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI-ACADEMY TRUST, ITS MEMBERS/
TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Company secretary Miss J Gregory

Accounting officer Mrs S Watson

School Leadership Team

The Castle School
Mrs S Watson, Headteacher
Mrs L Clark, Deputy Headteacher
Mrs F Gormley, Deputy Headteacher
Mr J Lamb, Assistant Headteacher
Mr P Morton, Assistant Headteacher
Mrs A Crudgington, Business Manager
Court Fields School
Ms R Bennett, Headteacher
Mr S Appleby, Deputy Headteacher
Mr B Warrender, Deputy Headteacher
Mrs R Cummins, Assistant Headteacher
Mr P Cox, Business Manager

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

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 secondary academies in Taunton and Wellington. Its academies have a combined pupil capacity of 2,048 and had a roll of 1,913 in the school census on 1 October 2014.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1st July 2011, the Trustees appointed all those Governors that served the predecessor school, The Castle School, to be Trustees of the newly formed Academy. On 1st January 2014, on conversion to a Multi-Academy Trust, additional Trustees from Court Fields School were appointed. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- Up to 7 Trustees who are appointed by members.
- A minimum of 2 and up to 6 Parent Trustees who are elected by parents of registered pupils at the Multi-Academy Trust.
- Up to 4 staff Trustees appointed by the Board of Trustees.
- Up to 5 Community Trustees who are appointed by the Board of Trustees.
- The Executive Headteacher who is treated for all purposes as being an ex officio Trustee.

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Policies and Procedures adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

There are committees as follows;

- Finance Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels.
- Education Committees - these meet at least once a term to monitor, evaluate and review the two academies' policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Admissions Committee - meets most weeks to deal with all matters relating to admissions.
- Premises Committee – meets once a term to monitor premises and health and safety issues and prioritise capital works.
- Personnel Committee – meets once a term for personnel issues and to consider staffing requirements of the Trust.
- Pay Committee – meets annually to determine staff pay.
- Members' Strategic Committee - meets at least twice per term.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Multi-Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteachers and Clerk to the Trustees, to approve the Annual Development Plan and budgets.

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

The Executive Headteacher is the Accounting Officer.

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Connected Organisations, including Related Party Relationships

There is a shared use agreement between 1610 and The Castle School regarding use of the sports hall, athletics track and ATP, hard court area, large changing rooms and the drama and dance studios.

The Court Fields Community Pre School operates on the site of Court Fields School and is subject to the terms of an underlease.

Both academies have strong collaborative links with their feeder primary schools.

There are no related parties which either control or significantly influence the decisions and operations of the Multi Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with either Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

Objectives, Strategies and Activities

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

- Every child achieves at least 3 levels progress.
- Most achieve 4 levels progress.
- No child NEET (Not in Education, Employment or Training).

Public Benefit

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

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

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Achievements and Performance

The Castle School was inspected by OFSTED in 2009 and was judged to be Outstanding. Court Fields School was inspected in November 2013 and was judged to be Requiring Improvement. The subsequent monitoring inspection recognised significant improvements made since then and the school continues to work towards a judgement of Good.

The Castle School remains significantly oversubscribed. There were 555 applications for the 240 places available in year 7 for September 2015. The assessed capacity for Court Fields School is 860 and there were 720 students on roll at the commencement of the 2015/16 academic year. Applications for places in year 7 exceeded Court Field's PAN and a waiting list created.

During the year, The Castle School completed two building projects which were largely funded through capital grant. Both the flat roofs covering the main school building and the windows throughout the main tower block were replaced. Court Fields School has renewed all roof surfaces on the 3 main blocks (largely funded through capital grant), refurbished another toilet block and the old gym changing rooms, and replaced all remaining sections of external timber cladding with UPVC equivalents. In addition, there were substantial repairs to the gym ceiling and to the classroom ceilings in modern foreign languages.

At The Castle School, examination results for 2015 were:

- 83% of students achieved 5 or more GCSEs grade A* to C including English and Maths
- 90% of students achieved 5 or more GCSEs grade A* to C.

At Court Fields School, examination results for 2015 were:

- 45% of students achieved 5 or more GCSEs grade A* to C including English and Maths
 - 55% of students achieved 5 or more GCSEs grade A* to C.
- NB: Both figures are expected to rise following re-marks.

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

During the year, fundraising activities raised £4,461 for charity at The Castle School and £5,308 at Court Fields School.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. For the year under review, £Nil was carried forward representing 0% of General Annual Grant (GAG).

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

As at 31 August 2015, the Trust held restricted funds of £105,804 and unrestricted funds of £950,820, a total of £1,056,625. This is a decrease of £66,253 since 31 August 2014.

At 31 August 2015 the net book value of fixed assets was £20,417,276 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies. Balances are held for a number of purposes and will be reinvested into the Trust via contributions to capital projects and purchase resources. Some funds are earmarked for specific projects (eg £150,000 towards the replacement of the artificial pitch and re laying of the athletics track and £30,000 to upgrade the CCTV system at The Castle School and £97,000 for the outstanding toilets/windows/cladding project and £8,000 for the gym refurbishment at Court Fields School) whilst some balances are needed as a contingency for exceptional and unplanned costs in future years.

This Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

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

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

Reserves Policy

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

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

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

The Trustees have reviewed the future plans of the Multi Academy Trust and have set designated reserves as follows:

- £150,000 towards the replacement of the ATP and re laying of the athletics track at The Castle School.
- £25,000 to upgrade the CCTV system at The Castle School
- £97,000 for the toilets/windows/cladding projects at Court Fields School.
- £8,000 for gym refurbishment at Court Fields School

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Multi Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Multi Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Multi Academy Trust.

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Investment Policy

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

Financial - the Trust has considerable reliance on continued Government funding through the Education Funding Agency (EFA). The school's incoming resources are Government funded and whilst this level is expected to be largely protected, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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

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

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

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

PLANS FOR FUTURE PERIODS

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

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

- Staff Consultation and Disability for Employees

With regard to staff consultation, the Trustees aim to ensure that staff of the Trust are consulted at all times on fundamental issues impacting upon their employment and conditions of service. Staff are encouraged to be part of a trade union and trade union representatives have regular meetings with the Headteachers of their respective schools but are encouraged to discuss anything of concern with a member of the SLT.

- Disability

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

**THE CASTLE PARTNERSHIP TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

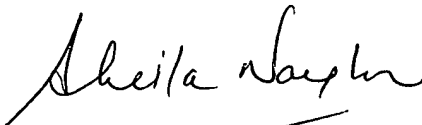
AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the audit committee, as company directors, on 11/2/2015 and signed on the board's behalf by:



Mrs S Naylor
Chair of Governors

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The audit committee has formally met 4 times during the year. Attendance during the year at meetings of the audit committee was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Mrs S Naylor | 4 | 4 |
| Mr P Haines | 2 | 4 |
| Mrs K Sladden | 2 | 4 |
| Mrs M Fox | 2 | 4 |
| Mr M Mac Closkey | 3 | 4 |
| Mr G Price | 3 | 4 |
| Mr S Carter | 3 | 4 |
| Mrs S Watson | 3 | 4 |
| Ms R Bennett | 4 | 4 |
| Dr C Ritter | 3 | 4 |
| Dr M Yardley | 2 | 4 |
| Mrs S Pepper | 3 | 4 |
| Mr D Simpson, Staff Governor | 3 | 4 |
| Mr S Alcock | 4 | 4 |
| Mrs K Blackmore | 1 | 2 |
| Mrs L Denson | 2 | 4 |
| Mrs R Ellins | 3 | 4 |
| Mr T Kilshaw, Staff Governor | 2 | 2 |
| Mr D Taylor | 4 | 4 |

Governance reviews:

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

In addition, on 1st October 2015, Members carried out a self-evaluation of the MAT, using "The 9 Characteristics of Successful Multi Academy Trusts". This seeks to establish a working definition that categorises the development of each characteristic against four possible stages of maturity – Beginning, Developing, Embedding and Leading. Members assessed that, as a MAT, we are currently in the Beginning/Developing stage of eight of the characteristics and at the Embedding stage for one (quality assurance systems to improve consistency and performance). They have identified actions for each characteristic in order to secure the next phase.

The Finance Committee is a sub-committee of the Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, comply with reporting and regulatory requirements, receive reports from the Responsible Officer and draft the annual budget including setting staffing levels.

THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------------------|-------------------|-------------------|
| Mrs R Ellins | 2 | 3 |
| Mr T Kilshaw, Staff Governor | 1 | 1 |
| Mr P Haines | 3 | 3 |
| Mrs S Naylor | 3 | 3 |
| Mrs S Pepper | 3 | 3 |
| Dr M Yardley | 3 | 3 |
| Mr M Mac Closkey | 3 | 3 |

The Audit Committee is also a sub-committee of the main Board of Trustees which was formed during the year. Its purpose is to maintain oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------|-------------------|-------------------|
| Mr M Mac Closkey | 2 | 2 |
| Dr M Yardley | 2 | 2 |
| Mr P Haines | 2 | 2 |
| Mrs R Ellins | 1 | 2 |

REVIEW OF VALUE FOR MONEY

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

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

- Educational results: In spite of reducing levels of funding The Castle school's results were one of the best in Somerset with 83% of students achieving five or more A* - C GCSEs including English and Maths – the best in the school's history. The results have not been finalised at Court Fields school
- Targeted improvement: The Trust has kept its staffing structure under constant review and deployed staff efficiently to target curriculum areas in need of development.
- Focus on individual pupils: The Trust has managed the differing needs of pupils, such as those requiring one to one support, and those identified as gifted & talented. Where appropriate, funding has been targeted to support individual needs. A formal TA review identified the most effective practice with greatest impact on outcomes and work continues to focus on these areas.
- Collaboration: The Trust has close links with its feeder primary schools and Haygrove and Ansford secondary schools. Within the multi-academy trust, we procure goods and services collectively where possible and share staff and resources across the two academies where it makes sense to do so. We are continuing to develop strategies to secure best value for money. Savings have been realised in legal fees, accountancy and audit fees, software licences, governor support and staff training.
- New initiatives: The Trust has introduced several initiatives which have reduced cost:

At The Castle School, we are continuing to move to a whole school printing solution to enhance the printing capabilities of the school and to reduce cost/wastage. During 2014/15 we have significantly reduced the number of small printers which are expensive to run from around the school. The school's energy management system is improving energy efficiency and saves costs. We are also investigating an initiative run by Utilitywise which identifies recommended energy saving schemes which would pay for themselves.

GOVERNANCE STATEMENT (continued)

At Court Fields School, operating leases are used extensively in order to spread the cost of larger capital acquisitions. The school also operates cost effective photocopying and printing via one combined contract. Currently, the school is looking to install solar panels on its sports hall roof.

Both schools have embedded BACS payments, card payment machines and internet payments into their financial processes.

- Financial governance and oversight: The Trust benefits from the provision of the Responsible Officer (RO) function through Education Financial Services. The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Audit Committee. The Trust's system of financial governance includes strong oversight by the trustees and the accounting officer. The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors' Management Report. The financial position is reviewed on a monthly basis by senior staff and on a termly basis by governors. In accordance with the Trust's financial policy, large items of expenditure are brought to the attention of governors to ensure the appropriate protocol has been followed and effectiveness of spending proposals in order to achieve value for money.
- Better purchasing: For everyday small scale expenditure such as stationary and consumables we ensure we have access to a range of reputable suppliers and the Finance team will carry out regular price comparison £5000 in value. If the lowest quote is not accepted, the reasons are reported to the Finance Committee. In order to get more for its money, the Trust constantly reviews its contracts, service agreements and commonly used suppliers. Contracts are renegotiated to get the best mix of quality and effectiveness for the least cost.
- Benchmarking: The Trust benchmarks its costs against similar organisations to identify areas for making savings. We frequently use the Somerset Association of School Business Managers and the Financial Directors' Forum to compare costs and obtain recommendations on suppliers.
- Options appraisal: Different options are explored before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term. Tendering is used when appropriate to get the best deal and three quotes are always sought for larger purchases.
- Economies of scale: The Trust takes every opportunity to work collaboratively to reduce and share administration and procurement costs. In particular, across the schools in the Trust, with our feeder primary schools and with other schools and academies in Somerset.
- Better income generation: The Trust maximises income generation wherever possible. For example, lettings income at The Castle School has increased over recent years through a number of longer term agreements. Court Fields School also operates a thriving school lettings regime which generates income sufficient to offset against its annual spending plans. Investment opportunities for the Trust are regularly reviewed and deposits have been made in accounts which have higher interest rates. Extra income has been achieved as a result of this. In addition, funding bids are made wherever appropriate in order to obtain external funding. The Castle School has been successful in obtaining capital grant funding (ACMF) three years out of four. Court Fields was also successful in securing ACMF grant to resurface the flat roofs in its first year as an academy. A bid for additional capital funding via the DfE's Capital Investment Fund (CIF) will be made during 2015-2016.
- Reviewing controls and managing risks: The Trust has organised its internal controls to maximise its use of assets. Budget holders and governors receive regular budget reports in order that they can make wise decisions on purchasing and prioritise accordingly. Monthly budget monitoring reports are produced and reviewed by the Business Manager in each school and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. Departments are recharged for photocopying and stationery costs, for example, which ensures that they make value for money decisions and prevent waste. Bank balances and investments are reviewed regularly to manage risks whilst still gaining interest. Appropriate insurances are obtained to manage risks.

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

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Castle Partnership Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The audit committee has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The audit committee is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the audit committee.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

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

On a termly basis, the RO reports to the audit committee on the operation of the systems of control and on the discharge of the audit committee's financial responsibilities.

The RO function has been fully delivered in line with the Education Funding Agency's (EFA's) recommendations. No material control issues arising as a result of the RO's work have been identified.

GOVERNANCE STATEMENT (continued)

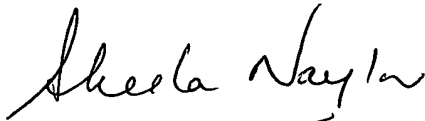
REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Multi-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 responsible officer and 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 audit committee on 11/12/2015 and signed on its behalf, by:



Mrs S Naylor
Chair of Governors



Mrs S Watson, Head Teacher
Accounting Officer

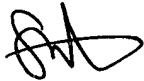
**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Castle Partnership Trust I have considered my responsibility to notify the Multi-Academy Trust audit committee and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 audit committee and EFA.



**Mrs S Watson, Head Teacher
Accounting officer**

Date: 1/12/2015

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

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

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

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

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

Approved by order of the members of the audit committee and signed on its behalf by:



**Mrs S Naylor
Chair of Governors**

Date: 1/12/2015

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CASTLE PARTNERSHIP TRUST

We have audited the financial statements of The Castle Partnership Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable Multi-Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Multi-Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Multi-Academy Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

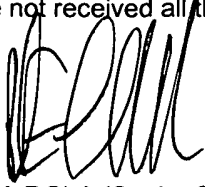
**THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CASTLE PARTNERSHIP TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

4 December 2015

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE CASTLE PARTNERSHIP TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Castle Partnership Trust during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE CASTLE PARTNERSHIP TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Castle Partnership Trust's funding agreement with the Secretary of State for Education dated 20 December 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

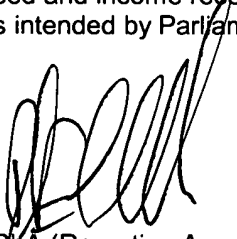
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE CASTLE
PARTNERSHIP TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

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

Date:

6 December 2015

THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

| | | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| | Note | | | | | |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Transfer from Local Authority on conversion | 2 | - | - | - | - | 5,483,756 |
| Other voluntary income | 2 | 9,256 | 32,191 | - | 41,447 | 37,226 |
| Activities for generating funds | 3 | 56,054 | - | - | 56,054 | 37,535 |
| Investment income | 4 | 5,828 | - | - | 5,828 | 16,716 |
| Incoming resources from charitable activities | 5 | 89,153 | 9,140,815 | 560,088 | 9,790,056 | 9,967,676 |
| TOTAL INCOMING RESOURCES | | 160,291 | 9,173,006 | 560,088 | 9,893,385 | 15,542,909 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Fundraising expenses and other costs | | 5,365 | - | - | 5,365 | 3,340 |
| Charitable activities | | 206,405 | 9,222,521 | 528,878 | 9,957,804 | 8,808,597 |
| Governance costs | 7 | - | 38,715 | - | 38,715 | 34,929 |
| TOTAL RESOURCES EXPENDED | 10 | 211,770 | 9,261,236 | 528,878 | 10,001,884 | 8,846,866 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | (51,479) | (88,230) | 31,210 | (108,499) | 6,696,043 |

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|-------------|--|--|--|---------------------------------------|---------------------------------------|
| Transfers between Funds | 20 | - | (185,545) | 185,545 | - | - |
| NET INCOME / (EXPENDITURE) FOR THE YEAR | | (51,479) | (273,775) | 216,755 | (108,499) | 6,696,043 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (4,000) | - | (4,000) | (154,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | (51,479) | (277,775) | 216,755 | (112,499) | 6,542,043 |
| Total funds at 1 September | | 1,002,299 | (3,356,421) | 20,180,121 | 17,825,999 | 11,283,956 |
| TOTAL FUNDS AT 31 AUGUST | | 950,820 | (3,634,196) | 20,396,876 | 17,713,500 | 17,825,999 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 44 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|--|------|-------------------|-------------------|-------------------|-------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 20,417,276 | | 19,904,018 |
| CURRENT ASSETS | | | | | |
| Debtors | 17 | 152,939 | | 1,038,414 | |
| Cash at bank and in hand | | 1,421,662 | | 1,222,452 | |
| | | <u>1,574,601</u> | | <u>2,260,866</u> | |
| CREDITORS: amounts falling due within one year | 18 | (521,577) | | (841,485) | |
| NET CURRENT ASSETS | | | <u>1,053,024</u> | | <u>1,419,381</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>21,470,300</u> | | <u>21,323,399</u> |
| CREDITORS: amounts falling due after more than one year | 19 | | (16,800) | | (20,400) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | <u>21,453,500</u> | | <u>21,302,999</u> |
| Defined benefit pension scheme liability | 26 | | (3,740,000) | | (3,477,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>17,713,500</u> | | <u>17,825,999</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| General funds | 20 | 105,804 | | 120,579 | |
| Fixed asset funds | 20 | 20,396,876 | | 20,180,121 | |
| | | <u>20,502,680</u> | | <u>20,300,700</u> | |
| Restricted funds excluding pension liability | | | | | |
| Pension reserve | | (3,740,000) | | (3,477,000) | |
| | | <u></u> | | <u></u> | |
| Total restricted funds | | | 16,762,680 | | 16,823,700 |
| Unrestricted funds | 20 | | 950,820 | | 1,002,299 |
| TOTAL FUNDS | | | <u>17,713,500</u> | | <u>17,825,999</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2015 and are signed on their behalf, by:


Mrs S Naylor
Chair of Trustees

The notes on pages 26 to 44 form part of these financial statements.

THE CASTLE PARTNERSHIP TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | 2015 £ | 2014 £ |
|--|-------------|-------------------|-------------------|
| Net cash flow from operating activities | 22 | 653,347 | 470,989 |
| Returns on investments and servicing of finance | 23 | 5,828 | 16,716 |
| Capital expenditure and financial investment | 23 | (456,365) | (720,557) |
| Cash transferred on conversion to an academy trust | | - | 331,845 |
| CASH INFLOW BEFORE FINANCING | | 202,810 | 98,993 |
| Financing | 23 | (3,600) | (3,600) |
| INCREASE IN CASH IN THE YEAR | | 199,210 | 95,393 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Increase in cash in the year | 199,210 | 95,393 |
| Cash outflow from decrease in debt and lease financing | 3,600 | 3,600 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 202,810 | 98,993 |
| Net funds at 1 September 2014 | 1,198,452 | 1,099,459 |
| NET FUNDS AT 31 AUGUST 2015 | 1,401,262 | 1,198,452 |

The notes on pages 26 to 44 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Multi-Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Multi-Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Multi-Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Multi-Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Multi-Academy Trust's policies.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

1.4 RESOURCES EXPENDED

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Multi-Academy Trust's educational operations.

Governance costs include the costs attributable to the Multi-Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Multi-Academy Trust's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.6 OPERATING LEASES

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 TAXATION

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

1.8 PENSIONS

Retirement benefits to employees of the Multi-Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Multi-Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Multi-Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Multi-Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Transfer from Local Authority on conversion | - | - | - | 5,483,756 |
| Donations | 9,256 | 32,191 | 41,447 | 37,226 |
| Voluntary income | 9,256 | 32,191 | 41,447 | 5,520,982 |

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FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings | 39,143 | - | 39,143 | 27,808 |
| Other | 16,911 | - | 16,911 | 9,727 |
| | <u>56,054</u> | <u>-</u> | <u>56,054</u> | <u>37,535</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 5,828 | - | 5,828 | 16,716 |
| | <u>5,828</u> | <u>-</u> | <u>5,828</u> | <u>16,716</u> |

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | | |
| Capital Grants | - | 560,088 | 560,088 | 1,251,296 |
| General Annual Grant | - | 8,545,178 | 8,545,178 | 7,813,314 |
| Start up Grants | - | 42,000 | 42,000 | 150,750 |
| Other DfE/EFA grants | - | 386,913 | 386,913 | 523,742 |
| | <u>-</u> | <u>9,534,179</u> | <u>9,534,179</u> | <u>9,739,102</u> |
| Other government grants | | | | |
| High Needs | - | 103,498 | 103,498 | 96,033 |
| | <u>-</u> | <u>103,498</u> | <u>103,498</u> | <u>96,033</u> |
| Other funding | | | | |
| Other | 89,153 | 63,226 | 152,379 | 132,541 |
| | <u>89,153</u> | <u>63,226</u> | <u>152,379</u> | <u>132,541</u> |
| | <u>89,153</u> | <u>9,700,903</u> | <u>9,790,056</u> | <u>9,967,676</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Education | 206,405 | 9,751,399 | 9,957,804 | 8,808,597 |

7. GOVERNANCE COSTS

| | Total funds 2015 £ | Total funds 2014 £ |
|------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | 22,445 | 16,505 |
| Legal and Professional | 3,006 | 17,512 |
| Other costs | 1,026 | 912 |
| Wages and salaries | 12,238 | - |
| | 38,715 | 34,929 |

8. DIRECT COSTS

| | Total 2015 £ | Total 2014 £ |
|--|--------------------|--------------------|
| Pension finance costs | 21,000 | 24,000 |
| Educational supplies | 193,757 | 161,087 |
| Exam fees | 139,518 | 125,927 |
| Staff development and other activities | 115,103 | 87,345 |
| Supply teachers | 49,901 | 53,304 |
| Wages and salaries | 4,591,283 | 4,249,764 |
| National insurance | 353,552 | 332,848 |
| Pension cost | 688,847 | 629,306 |
| Depreciation | 476,645 | 380,165 |
| | 6,629,606 | 6,043,746 |

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NOTES TO THE FINANCIAL STATEMENTS
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9. SUPPORT COSTS

| | Total 2015 £ | Total 2014 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Pension finance costs | 72,000 | 74,000 |
| Recruitment and support | 50,174 | 58,184 |
| Maintenance of premises and equipment | 642,943 | 478,155 |
| Rent and rates | 78,750 | 58,468 |
| Energy costs | 149,297 | 129,592 |
| Insurance | 63,424 | 65,576 |
| Security and transport | 62,970 | 45,651 |
| Catering | 56,726 | 37,501 |
| Office overheads | 147,492 | 92,912 |
| Legal and professional | 86,714 | 137,371 |
| Bank interest and charges | 869 | 956 |
| Wages and salaries | 1,422,122 | 1,190,788 |
| National insurance | 67,030 | 53,804 |
| Pension cost | 375,454 | 300,234 |
| Depreciation | 52,233 | 41,660 |
| | 3,328,198 | 2,764,852 |

10. RESOURCES EXPENDED

| | Staff costs 2015 £ | Non Pay Premises 2015 £ | Expenditure Other 2015 £ | Total 2015 £ | Total 2014 £ |
|--|-----------------------------------|--|---|-----------------------------|-----------------------------|
| Costs of activities for generating funds | - | - | 5,365 | 5,365 | 3,340 |
| COSTS OF GENERATING FUNDS | - | - | 5,365 | 5,365 | 3,340 |
| Education | 5,633,682 | 476,645 | 519,279 | 6,629,606 | 6,043,746 |
| Support costs - Education | 1,864,606 | 923,223 | 540,369 | 3,328,198 | 2,764,851 |
| CHARITABLE ACTIVITIES | 7,498,288 | 1,399,868 | 1,059,648 | 9,957,804 | 8,808,597 |
| GOVERNANCE | 12,238 | - | 26,477 | 38,715 | 34,929 |
| | 7,510,526 | 1,399,868 | 1,091,490 | 10,001,884 | 8,846,866 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 2015 £ | 2014 £ |
|---|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 528,878 | 421,825 |
| Auditors' remuneration | 19,450 | 9,450 |
| Auditors' remuneration - non-audit | 2,995 | 7,055 |
| Operating lease rentals: | | |
| - plant, machinery and office equipment | 50,240 | 47,951 |
| | <u>50,240</u> | <u>47,951</u> |

12. STAFF

a. Staff costs

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| Wages and salaries | 5,999,829 | 5,432,552 |
| Social security costs | 420,582 | 386,652 |
| Other pension costs (Note 26) | 1,064,301 | 929,541 |
| | <u>7,484,712</u> | <u>6,748,745</u> |
| Supply teacher costs | 49,901 | 53,304 |
| Staff restructuring costs | 25,814 | 8,000 |
| | <u>7,560,427</u> | <u>6,810,049</u> |

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £19,295 (2014: Nil). Individually the payments were £15,625 and £3,670.

c. Staff numbers

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

| | 2015 No. | 2014 No. |
|----------------------------|-------------|-------------|
| Teachers | 99 | 100 |
| Administration and support | 97 | 103 |
| Management | 11 | 13 |
| | <u>207</u> | <u>216</u> |

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12. STAFF (continued)

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

| | 2015 No. | 2014 No. |
|--------------------------------|-------------------|-------------------|
| In the band £60,001 - £70,000 | 3 | 4 |
| In the band £80,001 - £90,000 | 0 | 1 |
| In the band £90,001 - £100,000 | 1 | 0 |
| | <u> </u> | <u> </u> |

The above employees participated in the Teachers' Pension Scheme. The pension scheme contributions for these employee amounted to £39,973 (2014: £47,762).

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration was as follows: S Watson £90,000 - £95,000 (2014: £85,000 - £90,000); R Bennett £65,000 - £70,000 (2014: £40,000 - £45,000); S Pepper £15,000 - £20,000 (2014: £15,000 - £20,000); D Simpson £45,000 - £50,000 (2014: £45,000 - £50,000); T Kilshaw £35,000 - £40,000 (2014: £35,000 - £40,000). Contributions to pension schemes for these employees were: S Watson £10,000 - £15,000 (2014: £10,000 - £15,000); R Bennett £5,000 - £10,000 (2014: £0 - £5,000); S Pepper £0 - £5,000 (2014: £0 - £5,000); D Simpson £5,000 - £10,000 (2014: £5,000 - £10,000); T Kilshaw £5,000 - £10,000 (2014: £5,000 - £10,000).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. For the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly the cost of the trustee indemnity element is not separately identifiable.

15. OTHER FINANCE INCOME

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Expected return on pension scheme assets | 143,000 | 102,000 |
| Interest on pension scheme liabilities | (236,000) | (200,000) |
| | <u> </u> | <u> </u> |
| | (93,000) | (98,000) |
| | <u> </u> | <u> </u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

16. TANGIBLE FIXED ASSETS

| | Long term leasehold property £ | Motor vehicles £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|---|------------------------|--------------------------|----------------------------|------------|
| COST | | | | | |
| At 1 September 2014 | 20,068,367 | 22,725 | 392,438 | 450,339 | 20,933,869 |
| Additions | 963,943 | - | 66,228 | 11,965 | 1,042,136 |
| At 31 August 2015 | 21,032,310 | 22,725 | 458,666 | 462,304 | 21,976,005 |
| DEPRECIATION | | | | | |
| At 1 September 2014 | 667,051 | 9,090 | 82,313 | 271,397 | 1,029,851 |
| Charge for the year | 378,109 | 4,545 | 45,265 | 100,959 | 528,878 |
| At 31 August 2015 | 1,045,160 | 13,635 | 127,578 | 372,356 | 1,558,729 |
| NET BOOK VALUE | | | | | |
| At 31 August 2015 | 19,987,150 | 9,090 | 331,088 | 89,948 | 20,417,276 |
| At 31 August 2014 | 19,401,316 | 13,635 | 310,125 | 178,942 | 19,904,018 |

17. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|----------------|------------------|
| Trade debtors | 13,547 | 19,040 |
| Other debtors | 56,096 | 448,844 |
| Prepayments and accrued income | 83,296 | 570,530 |
| | <u>152,939</u> | <u>1,038,414</u> |

18. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|------------------------------------|----------------|----------------|
| Other loans | 3,600 | 3,600 |
| Trade creditors | - | 62,287 |
| Other taxation and social security | 125,023 | 130,131 |
| Other creditors | 240,823 | 191,894 |
| Accruals and deferred income | 152,131 | 453,573 |
| | <u>521,577</u> | <u>841,485</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

| | £ |
|--------------------------------------|---------------|
| DEFERRED INCOME | |
| Deferred income at 1 September 2014 | 68,848 |
| Resources deferred during the year | 25,617 |
| Amounts released from previous years | (68,848) |
| | <u>25,617</u> |
| Deferred income at 31 August 2015 | <u>25,617</u> |

At the balance sheet date the academy was holding funds received in advance for trips due to take place in the 2015/16 academic year.

19. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 £ | 2014 £ |
|-------------|---------------|---------------|
| Other loans | 16,800 | 20,400 |
| | <u>16,800</u> | <u>20,400</u> |

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2015 £ | 2014 £ |
|--------------------------|--------------|--------------|
| Repayable by instalments | 2,400 | 6,000 |
| | <u>2,400</u> | <u>6,000</u> |

This is a Local Authority loan inherited on conversion. Repayment terms are £3,600 annually. There is no interest associated with this loan and no items secured on this loan.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| DESIGNATED FUNDS | | | | | | |
| Future projects | - | - | - | 280,000 | - | 280,000 |
| GENERAL FUNDS | | | | | | |
| General funds | 1,002,299 | 160,291 | (211,770) | (280,000) | - | 670,820 |
| Total Unrestricted funds | 1,002,299 | 160,291 | (211,770) | - | - | 950,820 |
| RESTRICTED FUNDS | | | | | | |
| General Annual Grant (GAG) | - | 8,545,178 | (8,317,895) | (148,782) | - | 78,501 |
| High needs funding | - | 103,498 | (103,498) | - | - | - |
| Pupil premium | - | 333,490 | (306,187) | - | - | 27,303 |
| Other Restricted Income | - | 95,417 | (95,417) | - | - | - |
| Other EFA income | - | 53,423 | (53,423) | - | - | - |
| Start up | 120,579 | 42,000 | (125,816) | (36,763) | - | - |
| Pension reserve | (3,477,000) | - | (259,000) | - | (4,000) | (3,740,000) |
| | (3,356,421) | 9,173,006 | (9,261,236) | (185,545) | (4,000) | (3,634,196) |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | 17,214,350 | - | (321,653) | 3,600 | - | 16,896,297 |
| Fixed assets purchased from GAG | 1,422,939 | - | (164,469) | 145,182 | - | 1,403,652 |
| DfE/EFA Capital grants | 1,542,832 | 560,088 | (42,021) | - | - | 2,060,899 |
| Fixed assets purchased from Start Up Grant | - | - | (735) | 36,763 | - | 36,028 |
| | 20,180,121 | 560,088 | (528,878) | 185,545 | - | 20,396,876 |
| Total restricted funds | 16,823,700 | 9,733,094 | (9,790,114) | - | (4,000) | 16,762,680 |
| Total of funds | 17,825,999 | 9,893,385 | (10,001,884) | - | (4,000) | 17,713,500 |

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

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

Designated Funds

The designated fund represents money designated by the Trustees for the following projects; replacement of the ATP and re laying of the athletics track at The Castle School, upgrading the CCTV system at The Castle School, toilets/windows/cladding projects at Court Fields School and gym refurbishment at Court Fields School.

Restricted Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

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

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

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

Other EFA income - Funds received from EFA other than GAG income, includes insurance income and pre opening grant.

Start up - Funds received from the EFA to help with conversion to an Academy for Court Fields.

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

Fixed Asset Funds

Fixed Assets Transferred on Conversion – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy and a loan transferred due to an overspend on capital work in the predecessor school.

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

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

Fixed Assets purchased from Start Up Grant - This represents funds transferred from the restricted Start Up Grant fund to purchase fixed assets.

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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

| | Total £ |
|---|-------------|
| The Castle School | 768,347 |
| Court Fields School | 288,277 |
| | <hr/> |
| Total before fixed asset fund and pension reserve | 1,056,624 |
| Restricted fixed asset fund | 20,396,876 |
| Pension reserve | (3,740,000) |
| | <hr/> |
| Total | 17,713,500 |
| | <hr/> <hr/> |

ANALYSIS OF ACADEMIES BY COST

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 £ |
|---------------------|---|--------------------------------------|------------------------------|---|-------------|
| The Castle School | 3,576,945 | 1,016,667 | 107,405 | 860,804 | 5,561,821 |
| Court Fields School | 2,056,737 | 847,939 | 86,352 | 920,157 | 3,911,185 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 5,633,682 | 1,864,606 | 193,757 | 1,780,961 | 9,473,006 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| Designated funds | - | - | - | 280,000 | - | 280,000 |
| General funds | 1,002,299 | 160,291 | (211,770) | (280,000) | - | 670,820 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,002,299 | 160,291 | (211,770) | - | - | 950,820 |
| Restricted funds | (3,356,421) | 9,173,006 | (9,261,236) | (185,545) | (4,000) | (3,634,196) |
| Restricted fixed asset funds | 20,180,121 | 560,088 | (528,878) | 185,545 | - | 20,396,876 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 17,825,999 | 9,893,385 | (10,001,884) | - | (4,000) | 17,713,500 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 20,417,276 | 20,417,276 | 19,904,019 |
| Current assets | 1,468,797 | 105,804 | - | 1,574,601 | 2,260,864 |
| Creditors due within one year | (517,977) | - | (3,600) | (521,577) | (841,484) |
| Creditors due in more than one year | - | - | (16,800) | (16,800) | (20,400) |
| Pension scheme liability | - | (3,740,000) | - | (3,740,000) | (3,477,000) |
| | <u>950,820</u> | <u>(3,634,196)</u> | <u>20,396,876</u> | <u>17,713,500</u> | <u>17,825,999</u> |

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Net incoming resources before revaluations | (108,499) | 6,696,043 |
| Returns on investments and servicing of finance | (5,828) | (16,716) |
| Net assets transferred on conversion | - | (5,483,664) |
| Depreciation of tangible fixed assets | 528,878 | 421,825 |
| Capital grants from DfE | (560,088) | (758,544) |
| Decrease/(increase) in debtors | 885,475 | (910,970) |
| (Decrease)/increase in creditors | (345,591) | 270,015 |
| FRS17 pension finance (income)/cost | 93,000 | 98,000 |
| FRS17 pension costs less contributions paid | 166,000 | 155,000 |
| NET CASH INFLOW FROM OPERATIONS | <u>653,347</u> | <u>470,989</u> |

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | <u>5,828</u> | <u>16,716</u> |
| | 2015 £ | 2014 £ |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Purchase of tangible fixed assets | (1,016,453) | (1,479,101) |
| Capital grants from DfE | 560,088 | 758,544 |
| NET CASH OUTFLOW FROM CAPITAL EXPENDITURE | <u>(456,365)</u> | <u>(720,557)</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | 2015 £ | 2014 £ |
|--------------------|-----------|-----------|
| FINANCING | | |
| Repayment of loans | (3,600) | (3,600) |

24. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2014 £ | Cash flow £ | Other non-cash changes £ | 31 August 2015 £ |
|--|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 1,222,452 | 199,210 | - | 1,421,662 |
| DEBT: | | | | |
| Debts due within one year | (3,600) | - | - | (3,600) |
| Debts falling due after more than one year | (20,400) | 3,600 | - | (16,800) |
| NET FUNDS | 1,198,452 | 202,810 | - | 1,401,262 |

25. CAPITAL COMMITMENTS

At 31 August 2015 the Multi-Academy Trust had capital commitments as follows:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | - | 394,661 |

26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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26. PENSION COMMITMENTS (continued)

they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £835,940 (2014: £638,720).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Multi-Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Multi-Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £320,000, of which employer's contributions totalled £235,000 and employees' contributions totalled £87,000. The agreed contribution rates for future years are 15.1% for employers and 5.5 - 7.5% for employees.

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

THE CASTLE PARTNERSHIP TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

The Multi-Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Expected return at 31 August 2015 % | Fair value at 31 August 2015 £ | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|-------------------------------------|--|---|--|---|
| Equities | 6.00 | 1,888,000 | 6.70 | 1,587,000 |
| Bonds | 6.00 | 279,000 | 3.60 | 261,000 |
| Property | 6.00 | 271,000 | 5.90 | 220,000 |
| Cash | 6.00 | 47,000 | 2.90 | 45,000 |
| Gilts | 6.00 | 179,000 | 3.00 | 145,000 |
| Total market value of assets | | 2,664,000 | | 2,258,000 |
| Present value of scheme liabilities | | (6,404,000) | | (5,735,000) |
| Deficit in the scheme | | (3,740,000) | | (3,477,000) |

The amounts recognised in the Balance sheet are as follows:

| | 2015 £ | 2014 £ |
|-------------------------------------|--------------------|-------------------|
| Present value of funded obligations | (6,404,000) | (5,735,000) |
| Fair value of scheme assets | 2,664,000 | 2,258,000 |
| Net liability | (3,740,000) | (3,477,000) |

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

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------|-------------------|
| Current service cost | (465,000) | (390,000) |
| Interest on obligation | (236,000) | (200,000) |
| Expected return on scheme assets | 143,000 | 102,000 |
| Total | (558,000) | (488,000) |

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26. PENSION COMMITMENTS (continued)

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

| | 2015 £ | 2014 £ |
|--------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 5,735,000 | 2,340,000 |
| Current service cost | 465,000 | 390,000 |
| Interest cost | 236,000 | 200,000 |
| Contributions by scheme participants | 106,000 | 85,000 |
| Actuarial (Gains)/losses | (66,000) | 106,000 |
| Benefits paid | (72,000) | 4,000 |
| Liability transferred on conversion | - | 2,610,000 |
| | <u>6,404,000</u> | <u>5,735,000</u> |
| Closing defined benefit obligation | <u>6,404,000</u> | <u>5,735,000</u> |

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

| | 2015 £ | 2014 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 2,258,000 | 841,000 |
| Expected return on assets | 143,000 | 102,000 |
| Actuarial gains and (losses) | (70,000) | (48,000) |
| Contributions by employer | 299,000 | 235,000 |
| Contributions by employees | 106,000 | 85,000 |
| Benefits paid | (72,000) | 4,000 |
| Asset transferred on conversion | - | 1,039,000 |
| | <u>2,664,000</u> | <u>2,258,000</u> |
| | <u>2,664,000</u> | <u>2,258,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £582,000 loss (2014: £578,000 loss).

The Multi-Academy Trust expects to contribute £300,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2015 | 2014 |
|-----------------|---------|---------|
| Equities | 71.00 % | 70.00 % |
| Gilts and bonds | 17.00 % | 18.00 % |
| Property | 10.00 % | 10.00 % |
| Cash | 2.00 % | 2.00 % |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | 2015 | 2014 |
|--|--------|--------|
| Discount rate for scheme liabilities | 4.00 % | 3.90 % |
| Expected return on scheme assets at 31 August | 5.90 % | 5.90 % |
| Rate of increase in salaries | 4.50 % | 4.40 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.60 % |

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FOR THE YEAR ENDED 31 AUGUST 2015

26. 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:

| | 2015 | 2014 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 23.7 | 23.6 |
| Females | 26.1 | 26.0 |
| Retiring in 20 years | | |
| Males | 26.0 | 25.8 |
| Females | 28.4 | 28.3 |

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

| | 2015 | 2014 | 2013 |
|--|--------------------|-------------|-------------|
| | £ | £ | £ |
| Defined benefit obligation | (6,404,000) | (5,735,000) | (2,340,000) |
| Scheme assets | 2,664,000 | 2,258,000 | 841,000 |
| Deficit | (3,740,000) | (3,477,000) | (1,499,000) |
| Experience adjustments on scheme liabilities | 66,000 | (106,000) | (141,000) |
| Experience adjustments on scheme assets | (70,000) | (48,000) | 58,000 |

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Multi-Academy Trust had annual commitments under non-cancellable operating leases as follows:

| | 2015 | 2014 |
|-----------------------|---------------|-------------|
| | £ | £ |
| EXPIRY DATE: | | |
| Within 1 year | 11,448 | 11,780 |
| Between 2 and 5 years | 26,456 | 26,171 |

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.