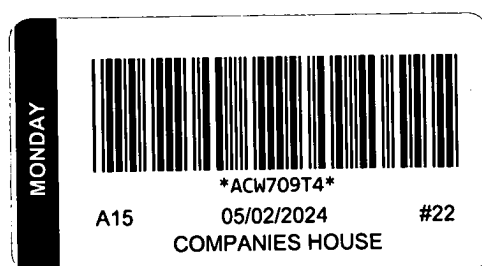


CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023



**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Rhona Allgood Rhiannon Clancy (appointed 6 October 2022) Stuart Hill Jason Lugg (resigned 24 September 2023) Clive Parkinson
Trustees	Simon MacSorley, Chair ¹ Rhona Allgood ¹ Andrew Best (appointed 12 September 2022) ¹ Rhiannon Clancy (resigned 26 September 2022) ² Grace Horton ¹ Andrew Levitt ¹ Colin McDougall ¹ Jayne Prior ² William Roberts, Chief Executive and Accounting Officer ³ Christopher White-Horne ¹ Dawn Wright ² ¹ Appointed by members ² Appointed by the Trust ³ Ex officio
Company registered number	08397975
Company name	Castle School Education Trust
Principal and registered office	Mangotsfield School Rodway Hill Bristol BS16 9LH
Company secretary	Susan Wright
Chief executive officer	William Roberts
Senior management team	William Roberts, Chief Executive and Accounting Officer Chris Hughes, Director of Facilities & IT James Richardson, Director of Education Di Steer, Director of People Susan Wright, Director of Finance (CFO)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank plc High Street Chipping Sodbury BS37 6AW

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Solicitors	Veale Wasbrough Vizards LLP Orchard Court Orchard Lane Bristol BS1 5WS
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**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2022 to 31 August 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2019/20 issued by the ESFA.

The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

Castle School Education Trust (CSET) operates four secondary schools and three primary schools in South Gloucestershire. There were 5,457 students on roll across the schools in the school census on 5 October 2023.

Structure, governance and management

Constitution

CSET is a company limited by guarantee and an exempt charity. The primary governing documents of the Trust, which is a multi-academy trust, are the Memorandum and Articles of Association dated 24 January 2023. With prior consent of the Secretary of State for Education, the Articles of Association were revised and replaced by special resolution of the Members on 24 January 2023.

The trustees of CSET are also the directors of the charitable company for the purposes of company law. The charitable company is known as Castle School Education Trust, but also trades under the names of its schools: Charfield Primary School, Downend School, Lyde Green Primary School, Mangotsfield School, Marlwood School, Severn Beach Primary School and The Castle School.

Details of the trustees of CSET who served during the year to 31 August 2023 and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

CSET is part of the Department of Education's Risk Protection Arrangement, an alternative to insurance where UK government funds cover losses that arise. This scheme protects the trustees and officers and provides cover up to £10,000,000.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The appointment or election of trustees is dependent upon the type of trustee.

- Member appointed trustees are appointed by the company members up to a maximum of eight. Two parent trustees will be elected or appointed where there are not two parent governors on each Community Council. There was no requirement for parent trustees during the year.
- The chief executive is an ex-officio trustee.
- There can be up to three co-opted trustees, appointed by the Board of Trustees.

Trustees are appointed for a four-year period, then may be re-appointed or re-elected subject to eligibility. For further recruitment details please refer to Governance section 'Board of Trustees'.

Policies adopted for the induction and training of Trustees

The training and induction provided for new trustees depends on their existing experience and is tailored to the individual. Where necessary, induction will provide training on charity and educational legal and financial matters. New trustees unfamiliar with CSET's schools will be given an opportunity to visit the schools and meet with 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.

Organisational structure

The Board of Trustees is responsible for setting a long-term strategy that will achieve the aims and objectives of the Trust. The trustees also approve the budget and the annual report and accounts. The trustees appoint a Chief Executive Officer to provide executive leadership of the Trust's activities.

Each Headteacher is responsible for the implementation of the trust's strategy and policies within their school. Headteachers are accountable to the Chief Executive Officer through the Directors of Primary and Secondary Schools. As a group, each School Leadership Team is responsible for the day-to-day management of the school, authorisation of expenditure within agreed budgets and the appointment of staff, though appointment panels for posts in the SLT would normally include the Chief Executive Officer of the Trust. Financial commitments are controlled through the application of a scheme of delegated authority to budget holders within the school.

In 2022/23, each school had a Community Council, comprising elected parents, a staff representative, the Headteacher, and community representatives appointed by the trust. The Community Councils feedback to trust leaders and trustees through formal termly meetings. The Chairs' Group coordinates agendas and programmes of work to ensure each council is able to provide a valuable community insight and avoids duplication of work with the role of trustees and trust leaders.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Trust comprise the trustees and the trust leadership team listed in the reference and administrative details on page 1. All Trustees give their time freely and no Trustee received remuneration in the year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay decisions for all employees at all levels of CSET (including the Chief Executive Officer and the Trust Leadership Team) are made in accordance with the CSET Pay Policy, which is agreed by the Board of Trustees. The Pay Policy provides clarity on who is able to make pay determinations and how teachers may achieve pay progression (the Staff Performance and Review Policy also provides additional clarity). The Board of Trustees is responsible for determining the salaries of teaching staff in accordance with the provisions of the School Teachers' Pay and Conditions' Document and for support staff in accordance with the National Joint Council for Local Government Services National Agreement on Pay and Conditions (Green Book) and the associated local provisions.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	9
Full-time equivalent employee number	7.7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	8
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
Total cost of facility time	12
Total pay bill	25,679
Percentage of total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Related parties and other connected charities and organisations

There are no sponsors of the Trust and there are no related parties which either control or significantly influence its decisions and operations.

Engagement with employees (including disabled persons)

CSET takes equalities very seriously and is opposed to all forms of discrimination. Our selection processes are non-discriminatory and always seek to give full and fair consideration to those with disabilities for all vacancies whilst taking into account their aptitudes and abilities. If an employee becomes disabled, then we will make every effort to accommodate reasonable adjustments to ensure that his/her employment with CSET continues and appropriate training will be arranged for that employee. As far as possible, CSET ensures that the training, career development and promotion of any disabled person are identical to that of a colleague who does not have a disability.

There are mechanisms for employee communication, consultation and personal development, such as regular staff briefings and appraisals. In addition, the locally recognised Trades' Unions are consulted on a regular basis through a Joint Consultation & Negotiation Committee (JCNC). CSET pays to obtain the availability of the South Gloucestershire Trades' Union Representatives for a variety of purposes, including consultation, giving local trades' union availability for employees where they need to be accompanied as part of HR policies and procedures. CSET tries to ensure that as far as possible employee and trades' union views are taken into account when decisions are made which may affect employees' interests.

Promoting the success of the company

As the custodian of large amounts of public funding and having responsibility for over 5,400 children and young people as well 600 members of staff the company recognises its impact upon local communities and the need to ensure all facets of its operations continue to improve.

Trustees have a clear vision for the growth of the Castle School Education Trust in line with its objectives. The Trust aims to advance for the public benefit education in South Gloucestershire and the surrounding area. The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

Objectives and activities

Objects and aims

CSET's principal activity is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and to promote for the benefit of the inhabitants of the local authority areas (and surrounding areas) in which any of its schools are situated, the provision of facilities for recreation or other leisure time occupation.

The trust's overall aim is stated in our 'shared ambition' to provide 'a great education for every child'.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives, strategies and activities

CSET Trustees approved the following Objectives for 2022-2023, in line with the six Aims set out in the CSET Strategy for 2022-2025;

Aim 1 – Outcomes – All CSET schools will achieve outcomes significantly above average including for vulnerable cohorts by 2025. All CSET schools will be judged at least Good at their first and subsequent inspections.

- 1.1 Outcomes in primary national tests & assessments will be above average for all schools, and significantly above average for CSET, by Summer 2023
- 1.2 Outcomes in secondary national qualifications will be above average for all schools, and significantly above average for CSET, by Summer 2023
- 1.3 All CSET primary schools evaluated and inspected as securely Good by Summer 2023
- 1.4 All CSET secondary schools evaluated and inspected as securely Good by Summer 2023

Aim 2 – Education – By 2025 all pupils will experience a high quality education that is consistent across schools, phases and subjects. The CSET Education Frameworks will clearly establish the shared approach to each aspect of education, and schools will be successfully implementing the frameworks within their own context.

- 2.1 Teaching
- 2.2 Curriculum
- 2.3 Assessment
- 2.4 Literacy
- 2.5 Numeracy
- 2.6 SEND
- 2.7 Disadvantaged Learners
- 2.8 Early Years
- 2.9 Attendance
- 2.10 Behaviour
- 2.11 Safeguarding
- 2.12 Opportunities & Enrichment

Aim 3 – Leadership, People & Culture – We have a compelling vision for each of our schools based on a deep understanding of each community we serve, which is articulated and understood throughout the school community. School leaders are ambitious for all pupils, and their dynamic leadership has a transformative impact on their schools. School and trust leaders work together to ensure the school is focused on the right strategic priorities, and that capacity is used to ensure rapid improvement. We will proactively recruit, train and retain the best leaders, teachers and professional support staff so that we can fulfil our commitment to provide a great education for every child.

- 3.1 Strengthen culture across the trust by developing understanding of our Shared Ambition, the vision for each school, and how these inform strategic choices and daily actions.
- 3.2 Monthly Reviews for each school ensure school and trust leaders have a shared understanding of standards, agree priorities for improvement, and resolve key issue.
- 3.3 Community Council established for each school, providing a community perspective to shape leadership decisions.
- 3.4 Develop and implement a CSET Leadership Programme, with all school leaders accessing programmes by July 2023.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

3.5 Strengthen the value of employment with CSET by refocusing the people strategy on improving staff experience of working in the trust.

3.6 Strengthen recruitment, training & development through coherent, integrated trust & school systems.

Aim 4 – Resources, Systems & Governance – We use our resources to have the greatest impact possible for pupils. The trust has efficient, effective and compliant systems. A robust financial strategy ensures budgets balance and reserves are maintained for future investment so that the trust is sustainable in the long term. Strong trust leadership and effective governance ensures that schools are delivering on our shared ambition to provide a great education for every child.

4.1 Trust & School Operations. Build capacity in the trust central team, improve the efficiency of trust processes and strengthen the interface between trust and schools across all operating areas.

4.2 Financial Sustainability. Ensure continued financial sustainability through education-led strategic response to inflationary pressures in pay, energy & construction

4.3 Trust governance

4.4 Policy implementation, compliance & monitoring

4.5 Information management & data protection

Aim 5 – Learning Environment – By 2025, The school environment provides an inspiring and appropriate setting for a great education. Facilities are safe, secure, clean and compliant. Major legacy condition issues have been resolved, with a rolling programme of condition improvements within a clear vision for each school. We will make significant progress in improving our environmental impact & response to the climate emergency. Technology in our schools will provide users with an effective and reliable experience.

5.1 Castle & Marlwood Refurbishment. Marlwood completed by Autumn 2022; Castle on track for completion by Summer 2024

5.2 School Condition Programme. Legacy site issues reduced, improving the condition, compliance and functionality of buildings

5.3 Facilities Management. Systems fully implemented and target compliance levels achieved by July 2023

5.4 Energy Reduction. Reduce energy usage

5.5 IT Transformation. Legacy IT issues addressed through transformation programme, improving infrastructure, resilience & user experience

Aim 6 - Growth – We will be 'school of choice' in our communities, with full intakes at all schools by 2025. We will actively explore opportunities to develop our schools and grow the trust where doing so would benefit our existing as well as new pupils. We aspire to be a leading trust in the West of England, with pupil numbers exceeding 10,000 by 2025.

6.1 CSET schools. Growth in existing schools \geq 5,400 pupils by September 2023

6.2 New schools. Growth of CSET through partnership with new schools to \geq 10 schools by September 2023

6.3 Trust partnerships. Growth of CSET through partnerships with existing trusts: path established to \geq 10,000 pupils by September 2025

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit education in South Gloucestershire and the surrounding area.

The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

Strategic report

Achievements and performance

CSET expanded rapidly from one to seven schools in its first three years of operation. Since then, the Trust has concentrated on consolidating the financial and educational performance of the group. An eighth school, Tortworth Primary School, joined in September 2023.

A broad, balanced, and inclusive curriculum is in place which is aspirational and challenging and which provides appropriate pathways for all students as they move through their education. We develop character in our students so that they are well rounded, have breadth of experience, are resilient in the face of challenge, and ready to play a positive role as future citizens.

The Trust has appointed a Trust Leadership Team to provide strategic direction and increased support to its schools. The Trust is increasingly aligning educational provision, drawing on best practice within the sector. In anticipation of further growth, the Trust has appointed a Director of Primary Schools and a Director of Secondary Schools to provide experienced leadership support and oversight of improvement across the Trust's schools.

Operations are increasingly aligned in order to generate financial efficiencies and improve the effectiveness of operational support to schools. The Trust is financially solvent and capable of supporting its vision and plan. High level relationships with regional agencies are maintained which help us to navigate funding changes and ensure we remain appropriately funded and financially sustainable. The HR, Finance, Facilities and IT Teams are centralised.

The Trust has secured additional funding to complete the final phase of the major refurbishment programme for Marlwood School and The Castle School, which is due for completion in Summer 2024. This £26M programme is the result of a series of joint projects agreed by South Gloucestershire Council and CSET in 2019.

We maintain strong governance which monitors and challenges all aspects of school performance. Headteachers are held to account through termly Standards and Priorities Reviews, with Community Councils providing additional support and challenge from a local perspective.

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Castle School, which was the founding CSET school in March 2013, is the second largest school in South Gloucestershire, with 1,474 students on roll. The attainment and progress of students at the end of Year 11 and Year 13 was well above the national average in 2023. The Castle School was inspected in November 2021 and judged 'Good' in all areas.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Charfield Primary School joined CSET as a sponsored academy in September 2013. The school improved from "Special Measures" to "Outstanding" in its first academy inspection in July 2015. The school continues to perform well, with attainment and progress in Key Stage 2 assessments in line with national averages. Charfield has 205 students on roll.

Severn Beach Primary School joined CSET as a sponsored academy in September 2014. The school has benefitted from closer links with other local schools in the trust, and in 2019 was judged Good for the first time in the history of the school. The school has grown in popularity since joining the trust with 141 on roll. Pupil progress in 2023 was below national averages, a result of the significant vulnerabilities and high levels of pupil movement in the community.

Marlwood School joined CSET as a sponsored academy in November 2014. The school's reputation has recovered in recent years and there are now 547 students on roll. The attainment of students at the end of Year 11 is now in line with the national average, and progress slightly below national average, following a strong trend of improvement. Marlwood School was removed from Special Measures by Ofsted in December 2019, achieving 'Good' judgements in the majority of categories.

Lyde Green Primary School opened in September 2015 in temporary accommodation at Downend School, and moved to a purpose built building in Lyde Green in September 2016. The school has 498 pupils, with numbers exceeding original projections and an additional class taken in Reception to meet parental demand in 2019, 2020 and 2021. Attainment and progress in 2023 were above the national average. Lyde Green Primary School was judged Good in all categories at its first inspection in July 2018.

Mangotsfield School joined CSET in September 2015 as a sponsored academy, and has 1,111 students on roll. Significant changes have been made to the ethos and curriculum provision of the school, which are now being embedded despite the challenges presented in the local community through the Covid-19 pandemic. The progress of students at the end of Year 11 has improved and is now just below the national average. Mangotsfield School was judged 'Good' by Ofsted in March 2022, the first time in the history of the school that this has been achieved.

Downend School joined CSET in May 2016 and has 1,411 students on roll. The school is heavily oversubscribed, with additional classes admitted each year since 2015. The attainment of students at the end of Year 11 and Year 13 is strong, and in 2023 progress in GCSE examinations was well above national average. Downend School was judged "Good" by Ofsted in January 2019.

Tortworth Primary School joined CSET in September 2023 having worked with the trust under a service level agreement since January 2021. With the trust's support, pupil numbers at the school have increased significantly and there are now 70 children on roll.

Key performance indicators

The financial key performance indicators have been set by the Trustees, are the requirement that the financial position should remain sufficient to fund future needs and resources are used effectively, with pupil numbers representing the basis for much of the funding. Pupil census numbers for 2023 were 5,457, an increase of 155 over 2022 (5,302). It is anticipated that this number will continue to rise.

The Trustees ensure that current expenditure and investment is balanced with holding sufficient reserves to ensure future sustainability. The Trust reserves target range is 4% to 6% of expenditure.

The Trust aims for all schools to achieve at least national average in national tests and assessments, which was achieved by the majority of trust schools in 2023 as described above. All schools are expected to be at least Good in Ofsted inspections, and this is now the case for almost all CSET schools as described above.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Going concern

The Trustees have been provided with a range of financial and other information during the course of the year to enable them to make an informed assessment of going concern.

Information provided to the Trustees has included regular and timely monthly budget reports which include outturn forecasts, balance sheet, reserves, working capital and cashflow; a detailed budget planning paper for 2023/24 at cost centre level; a three-year forward plan to 2025/26 and reserves policy. Pupil numbers and forecasts and commercial undertakings have been fully reported.

The Trust is dependent on government funding in order to continue as a going concern. The Trustees are aware that the Trust has long-term funding agreements with the Secretary of State for General Annual Grant (GAG) income, which is guaranteed on a per pupil basis. GAG accounts for more than 73% of Trust income. There are also a range of other statutory and discretionary funding sources from the Department of Education for SEN, primary sports and pupil premium as well as capital grants for buildings (SCA) and ICT (DFC). These agreements provide legal certainty of the availability of public funds.

The Trustees have also ensured they are appropriately skilled, have reviewed information in relation to the Trust's strategic priorities, updated and refined the Trust risk assessment, ensured that budget planning has been based on a 'needs led' basis and have received information regarding ESFA benchmarking and integrated curriculum and financial planning (ICFP) metrics.

Cash holdings at the balance sheet date total some £5.5 million.

Forward planning for the years 2023/24 to 2025/26 has considered projected student numbers, and plans for investment, whilst maintaining free reserves, in line with Trustees' target policy, of between 4% and 6% of expenditure.

Capital investment at The Castle School and Marlwood will help to generate future estate and facilities savings.

Identified risks which can be contained within the reserves policy are constrained to:

- Staff pay rise – these may be higher than currently budgeted due to the national agreements.
- Alternative provision – more students are needing to attend alternative provision and often the funding is not high enough to support this without a contribution from the school.
- Agency costs – as the staffing is tighter than the past, there is less flexibility to provide cover and hence agency may need to be used more widely.

The Trustees, supported by the Trust Executive Team, have considered the above factors alongside the current reserves position. Consequently, the Trustees have concluded that the Trust is well placed to manage its business risks.

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. This assessment has been made in respect of a period of at least 12 months from the date of the approval of the financial statements.

As a result of this assessment, the Trustees have concluded that it is appropriate for them to adopt the going concern basis of accounting for a period of at least 12 months from the date of the approval of the financial statements.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, based on student numbers, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2023, the Trust had total income receivable of £38,324k (2022: £36,777k) and incurred total expenditure of £37,424 (2022: £36,411k). Net income for the year was £900k (2022: £366k). The ESFA may provide the Trust with additional grants which are earmarked for specific purposes (such as Recovery Premium and Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants.

Where the trust receives grant or other funding from Local Authorities (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes with conditions as to its use or whether it is available for spending at the discretion of the Trustees.

The trust holds funds in two broad categories: funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of Trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

At 31 August 2023 the net book value of fixed assets was £64,338k (2022: £63,280k) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Management Framework which lays out the financial responsibilities of the Board, Headteacher, budget holders and other staff, as well as delegated authority for spending.

During the year under review, there was a surplus of £184k (2022: deficit £222k) on general restricted funds, a surplus of £515k (2022: surplus of £311k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus of £4,219k (2022: £11,772k).

The Trust's net current assets balance and the cash position remains strong, with a total of £5,527k (2022: £4,897k) in hand and at bank or on short term deposit.

The Trust's reserves are considered below, under Reserves policy.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Reserves policy

The Trustees review the reserve levels of the Trust at least annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The aim is to ensure that adequate reserves are built up and maintained to ensure the stability of the Trust and individual schools' operations, to protect it so it has the ability to adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. The Trust also needs to be regarded as a Going Concern.

The Reserves Policy requires general reserves to be maintained within a target range 4% to 6% of total budgeted expenditure. The general reserve should not exceed 10% of expenditure, unless part of a medium-term finance strategy to invest in school improvement and return to the 4%-6% target range within 3 years.

At the 31st August, free reserves totalled £2,985k (2022: £2,306k), which equates to 8.0% of 2022/23 budgeted expenditure and 7.4% of 2023/24 budgeted expenditure.

The defined benefit pension scheme reserve has a negative balance of £1,702k (2022: £4,799k). The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contribution over a number of years. The higher employers' pension contribution will be met from the 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 impact on the unrestricted reserves of the Trust.

Investment policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

The Trust recognises the need to obtain best value from all of the assets that it holds, including any cash balances that it may periodically hold.

The Trust manages its cash by reviewing short- and medium-term requirements for funds. The policy is to invest temporary surplus amounts in easy access bank deposit accounts. There are currently no long-term investments made by the Trust. The situation will be reviewed to ensure the Trust maximises the return on its cash reserves. The day to day management of the treasury function is controlled by the Director of Finance.

Principal Risks and Uncertainties

The Board of Trustees has overall responsibility for managing risk, driven by consideration of the principal risks of significant failure. The CSET Risk Management Policy has been informed by the 'Academy trust risk management' guidance published by the ESFA.

The Trust has agreed a Risk Management Policy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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 elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The principal risks documented in the Trust risk register are as follows:

- Social Context
- Funding to sustain educational provision
- Data Protection
- Growth
- Staff recruitment, training and retention

The Trustees review performance against budgets and overall expenditure by means of regular management accounts and update reports at the Finance Committee meetings.

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

The Board of Trustees recognises that the defined benefit pension 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.

Our fundraising practices

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the Trustees can declare that CSET does not undertake any formal fundraising activity, either directly or through professional fundraisers. Consequently, the Trust has not voluntarily subscribed to any fundraising standards or regulation. Volunteers from parent teacher associations or friends' groups do raise funds on behalf of Trust schools with support from staff, but this valuable work is not directed or monitored by the Trust.

The Trust has not received any complaints in relation to fundraising activities and the trustees are not aware of any incidents of unreasonably intrusive or persistent fundraising approaches or undue pressure to donate.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined energy and carbon reporting

The Trust is reporting under this new section as we have Gross (total assets) of greater than £18m and more than 250 employees and consumes more than 40,000 kWh of energy in a reporting period.

The Trust's greenhouse gas emissions and energy consumption are as follows:

Energy type	2022/23	2021/22
Mandatory requirements:		
Gas	4,671,497	5,997,667
Purchased electricity from the grid	2,077,335	2,230,389
Transport fuel	27,723	15,506
Total energy (mandatory)	6,776,556	8,243,562
<hr/>		
Emission source	2020/21	2021/22
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	854.6	1,094.8
Company owned vehicles (minibuses)	1.3	0.8
<u>Scope 2</u>		
Purchased electricity (location-based)	430.2	431.3
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	5.4	2.6
Total gross emissions (mandatory)	1,291.4	1,529.5
<hr/>		
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.244	0.292
Tonnes of CO ₂ e per square meter floor area	0.021	0.025

The Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Measures taken to improve energy efficiency

The Castle School Education Trust is actively boosting energy efficiency across its sites. Through ongoing improvement projects at The Castle School and Marlwood School, we are leveraging remaining capital funds to implement a rolling program of energy-efficient modifications. Staff are also contributing by minimizing inter-site travel through video conferencing, while planned meter upgrades and monitoring access in 2023/24 will enable better review and action. Additionally, the trust is initiating lighting upgrades, prioritising LED fixtures over less efficient bulbs, a move that promises long-term energy savings.

Plans for future periods

The trust has adopted a new three-year strategy covering the period September 2022 to August 2025. Trustees have agreed the following strategic aims:

Aim 1 - Outcomes. All CSET schools will achieve outcomes significantly above average including for vulnerable cohorts by 2025. All CSET schools will be judged at least Good at their first and subsequent inspections.

Aim 2 - Education. By 2025 all pupils will experience a high quality education that is consistent across schools, phases and subjects. The CSET Education Frameworks will clearly establish the shared approach to each aspect of education, and schools will be successfully implementing the frameworks within their own context.

Aim 3 - Leadership, People & Culture. We have a compelling vision for each of our schools based on a deep understanding of each community we serve. School leaders are ambitious for all pupils, and their dynamic leadership has a transformative impact on their schools. School and trust leaders work together to ensure the school is focused on the right strategic priorities, and that capacity is used to ensure rapid improvement. We will proactively recruit, train and retain the best leaders, teachers and professional support staff.

Aim 4 - Resources, Systems & Governance. We use our resources to have the greatest impact possible for pupils. The trust has efficient, effective and compliant systems. A robust financial strategy ensures budgets balance and reserves are maintained for future investment so that the trust is sustainable in the long term. Strong trust leadership and effective governance ensures that schools are delivering on our shared ambition to provide a great education for every child.

Aim 5 - Learning Environment. By 2025, the school environment provides an inspiring and appropriate setting for a great education. Facilities are safe, secure, clean and compliant. Major legacy condition issues have been resolved, with a rolling programme of condition improvements for each school. We will make significant progress in improving our environmental impact and our response to the climate emergency. Technology in our schools will provide users with an effective and reliable experience.

Aim 6 – Growth. We will be 'school of choice' in our communities, with full intakes at all schools by 2025. We will actively explore opportunities to develop our schools and grow the trust where doing so would benefit our existing as well as new pupils. We aspire to be a leading trust in the West of England, with pupil numbers exceeding 10,000 by 2025.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Funds held as custodian on behalf of others

The Trust holds £6,771 in respect of 16-19 bursary funds.

Disclosure of information to auditor

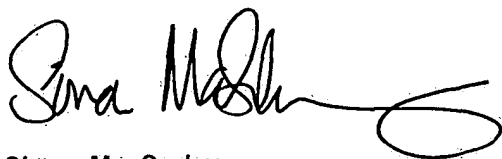
Insofar as the Trustees are aware:

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

Auditor

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointed the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12th December 2023 and signed on its behalf by:



Simon MacSorley
Chair of Board of Trustees

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Scope of responsibility

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

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

The trustees have delegated the day to day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Castle School Education Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting to the trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. There are three core functions of governance:

- ensuring clarity of vision, ethos and strategic direction
- holding executive leaders to account for the educational performance of the schools and their pupils and the performance management of staff
- overseeing the financial performance of the school and making sure that its money is well spent

The governance arrangements support the Trust to provide high quality education in all its schools.

The current Scheme of Delegation is on the CSET website.

Members

Members hold the Trustees to account for the governance of the Trust. The members appoint 8 of the Trustees. CSET currently has 4 Members.

Members meet formally twice a year including the Annual General Meeting. The Board submits an annual report on the performance of the Trust to the Members.

Trustees

The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Rhona Allgood	6	6
Andrew Best	4	6
Grace Horton	4	6
Andrew Levitt	5	6
Simon MacSorley	6	6
Colin McDougall	6	6
Jayne Prior	6	6
William Roberts	6	6
Chris White-Horne	5	6
Dawn Wright	5	6

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

There are currently 10 Trustees with no vacancies. Since September 2022, one Trustee has resigned, and one new Trustee has been appointed. Regular skills audits and evaluations of the effectiveness of the Board determine the skill requirements for recruiting to a Trustee vacancy. In addition, all Trustees must be skilled, knowledgeable, and able to confidently support and challenge the leadership of a group of schools.

In 2022/23, the Trustees had five committees, covering Education, Environment, Finance, People, and Risk & Audit. The work of these committees is detailed below.

Education Committee

Purpose:

- To ensure that CSET schools are providing high quality education delivering the best possible outcomes for students, within the context of the Trust's vision and values.
- To support the Board by providing rigorous scrutiny of the performance of schools, with reference to the Ofsted frameworks and national performance measures, including the monitoring of internal tracking data during the academic year.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Rhona Allgood	5	6
Andrew Best	1	6
Jayne Prior	6	6
William Roberts	5	6

Environment Committee

Purpose:

- To provide oversight of the management of the trust's facilities ensuring an appropriate learning environment for pupils and staff.
- To provide oversight of the trust's IT strategy

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Rhona Allgood	5	5
Simon MacSorley	5	5
William Roberts	5	5

Finance Committee

Purpose:

- To support the Board in ensuring that a framework is established and maintained for optimising the employment of all the resources available to the Trust to enable it to meet its business and financial objectives.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Grace Horton	6	7
Simon MacSorley	5	7
William Roberts	7	7
Dawn Wright	7	7

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

People

Purpose:

- To exercise strategic oversight of the trust's People strategy, policy and practice, to ensure that it is managing its People issues effectively in keeping with good practice, and monitoring how people strategies and plans contribute to the trust's overall performance.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
William Roberts	4	5
Chris White-Horne	5	5
Dawn Wright	5	5

Risk and Audit

Purpose:

- To maintain an oversight of the Trust's risk management, financial, governance and internal control systems and report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Andrew Levitt	5	6
Colin McDougall	5	6
William Roberts	5	6

Local Governance

In 2022/23, each school had a Community Council. The Community Councils feedback to trust leaders and trustees through formal termly meetings.

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Review of value for money

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

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

- Robust financial governance and budget management
- Value for money purchasing
- Reviewing controls and managing risk
- Considering allocation/targeting/use of resources
- Challenging proposals and examining their effectiveness and efficiency
- Deploying staff more effectively
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote

The financial oversight and governance has been strengthened as Trustees can now challenge the use of finances and understand the financial processes to ensure that the Trust achieves value for money and benchmarking across Trust schools.

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 the achievement of 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 CSET for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- 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 decided to employ Integra (lead auditor Justine Poulton) as internal auditor.

The Trust is provided with a programme of internal scrutiny providing independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. Integra provides an annual audit programme covering a range of areas for scrutiny. This is agreed at the Risk and Audit Committee.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included testing around contract and payroll control for casual members of staff.

On an annual basis the auditor reports to the Board of Trustees, through the Risk and Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

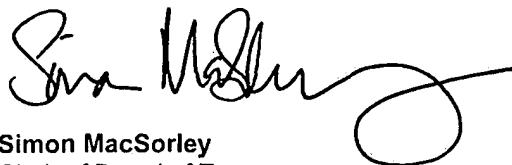
Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Chief Financial Officer within the Trust who has 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 Risk and Audit Committee and a plan ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12th December 2023 and signed on their behalf by:



Simon MacSorley
Chair of Board of Trustees



William Roberts
Chief Executive

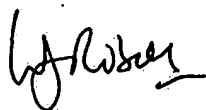
**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Castle School Education Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding including for estates safety and management, received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2022.

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



William Roberts
Accounting Officer
Date:

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Simon MacSorley
Chair of Board of Trustees

Date: 12/12/2023

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Castle School Education Trust (the 'academy trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

Our procedures to respond to risks identified included the following:

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 19th December 2023

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 28 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle School Education Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF CASTLE SCHOOL EDUCATION TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Castle School Education Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

APPROACH

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 19th December 2023

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants	3	-	67	4,188	4,255	5,609
Other trading activities		247	-	-	247	147
Investments	6	24	-	-	24	3
Charitable activities		298	33,500	-	33,799	31,018
Total income		569	33,567	4,188	38,324	36,777
Expenditure on:						
Raising funds		1	24	-	25	25
Charitable activities		12	34,389	2,998	37,399	36,386
Total expenditure		13	34,413	2,998	37,424	36,411
Net income/ (expenditure)		556	(846)	1,190	900	366
Transfers between funds	17	(41)	807	(766)	-	-
Net movement in funds before other recognised gains/(losses)		515	(39)	424	900	366
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	23	-	3,319	-	3,319	11,406
Net movement in funds		515	3,280	424	4,219	11,772
Reconciliation of funds:						
Total funds brought forward		1,762	(4,141)	64,779	62,400	50,628
Net movement in funds		515	3,280	424	4,219	11,772
Total funds carried forward		2,277	(861)	65,203	66,619	62,400

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

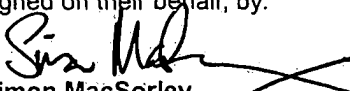
The notes on pages 34 to 66 form part of these financial statements.

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08397975

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	64,338	63,280
		<u>64,338</u>	<u>63,280</u>
Current assets			
Debtors	15	1,507	3,936
Cash at bank and in hand		5,527	4,897
		<u>7,034</u>	<u>8,833</u>
Creditors: amounts falling due within one year	16	(3,050)	(4,914)
Net current assets		<u>3,984</u>	<u>3,919</u>
Total assets less current liabilities		<u>68,322</u>	<u>67,199</u>
Net assets excluding pension liability		<u>68,322</u>	<u>67,199</u>
Defined benefit pension scheme liability	23	(1,702)	(4,799)
Total net assets		<u><u>66,620</u></u>	<u><u>62,400</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	65,203	64,779
Restricted income funds	17	842	658
		<u>66,045</u>	<u>65,437</u>
Restricted funds excluding pension asset	17	66,045	65,437
Pension reserve	17	(1,702)	(4,799)
Total restricted funds	17	<u>64,343</u>	<u>60,638</u>
Unrestricted income funds	17	<u>2,277</u>	<u>1,762</u>
Total funds		<u><u>66,620</u></u>	<u><u>62,400</u></u>

The financial statements on pages 31 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Simon MacSorley
 Chair of Board of Trustees

Date: 12/12/23

The notes on pages 34 to 66 form part of these financial statements.

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	449	(888)
Cash flows from investing activities	20	181	(2,495)
Change in cash and cash equivalents in the year		630	(3,383)
Cash and cash equivalents at the beginning of the year		4,897	8,280
Cash and cash equivalents at the end of the year	21, 22	5,527	4,897

The notes on pages 34 to 66 form part of these financial statements

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities' SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1. ACCOUNTING POLICIES (continued)

1.2 GOING CONCERN

The Trustees have been provided with a range of financial and other information during the course of the year to enable them to make an informed assessment of going concern.

Information provided to the Trustees has included regular and timely monthly budget reports which include outturn forecasts, balance sheet, reserves, working capital and cashflow; a detailed budget planning paper for 2023/24 at cost centre level; a three-year forward plan to 2025/26 and reserves policy. Pupil numbers and forecasts and commercial undertakings have been fully reported.

The Trust is dependent on government funding in order to continue as a going concern. The Trustees are aware that the Trust has long-term funding agreements with the Secretary of State for General Annual Grant (GAG) income, which is guaranteed on a per pupil basis. GAG accounts for more than 73% of Trust income. There are also a range of other statutory and discretionary funding sources from the Department of Education for SEN, primary sports and pupil premium as well as capital grants for buildings (SCA) and ICT (DFC). These agreements provide legal certainty of the availability of public funds.

The Trustees have also ensured they are appropriately skilled, have reviewed information in relation to the Trust's strategic priorities, updated and refined the Trust risk assessment, ensured that budget planning has been based on a 'needs led' basis and have received information regarding ESFA benchmarking and integrated curriculum and financial planning (ICFP) metrics.

Cash holdings at the balance sheet date total some £5.5million.

Forward planning for the years 2023/24 to 2025/26 has considered projected student numbers, and plans for investment, whilst maintaining free reserves, in line with Trustees' target policy, of between 4% and 6% of expenditure.

Capital investment at The Castle School and Marlwood will help to generate future estate and facilities savings.

Identified risks which can be contained within the reserves policy are constrained to:

- Staff pay rise – these may be higher than currently budgeted due to the national agreements.
- Alternative provision – more students are needing to attend alternative provision and often the funding is not high enough to support this without a contribution from the school.
- Agency costs – as the staffing is tighter than the past, there is less flexibility to provide cover and hence the agency may need to be used more widely.

1. ACCOUNTING POLICIES (continued)

1.2 GOING CONCERN (CONTINUED)

The Trustees, supported by the Trust Executive Team, have considered the above factors alongside the current reserves position. Consequently, the Trustees have concluded that the Trust is well placed to manage its business risks.

The Trustees have assessed whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. This assessment has been made in respect of a period of at least 12 months from the date of the approval of the financial statements.

As a result of this assessment, the Trustees have concluded that it is appropriate for them to adopt the going concern basis of accounting for a period of at least 12 months from the date of the approval of the financial statements.

1.3 INCOME

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TAXATION

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.6 TANGIBLE FIXED ASSETS

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

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

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

The Academy Trust separately identifies the major components of its school buildings and charges depreciation so as to write-down the cost of each component to its estimated residual value, over its expected useful life.

**CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

The estimated useful lives are as follows:

Leasehold land	- 125 years
Leasehold buildings & building improvements	- 50 years
Building components:	
Bathrooms	- 10 - 30 years
Kitchen	- 10 - 30 years
Lifts	- 10 - 30 years
Windows	- 5 - 20 years
Doors	- 10 years
Equipment (inc sports equipment)	- 5 years
Computer equipment and software	- 3 - 5 years
Motor vehicles/minibuses	- 5 years

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

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

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 OPERATING LEASES

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

1.12 PENSIONS

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.13 AGENCY ARRANGEMENTS

The Multi Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Multi Academy Trust does not have control over the charitable application of the funds. The Multi Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 30.

1.14 FUND ACCOUNTING

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

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	67	-	67	122
Capital Grants	-	4,188	4,188	5,487
	<u>67</u>	<u>4,188</u>	<u>4,255</u>	<u>5,609</u>
TOTAL 2022	<u>122</u>	<u>5,487</u>	<u>5,609</u>	

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. FUNDING FOR THE ACADEMY TRUST'S CHARITABLE ACTIVITIES

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	25,685	25,685	25,092
OTHER DfE/ESFA GRANTS				
Pupil Premium	-	899	899	810
Universal Infant Free School Meals	-	130	130	125
16-19 Funding	-	2,415	2,415	1,984
Teachers Pay & Pension Grants	-	102	102	115
Mainstream Schools Additional Grant	-	404	404	-
School Supplementary Grant	-	782	782	-
Others	-	280	280	497
	-	30,697	30,697	28,623
OTHER GOVERNMENT GRANTS				
High Needs	-	1,558	1,558	1,400
Other government grants	-	402	402	214
	-	1,960	1,960	1,614
Other income from the Academy Trust's education	298	624	922	570
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Mass Testing Funding	-	-	-	51
Recovery Premium	-	194	194	106
School Led Tutoring	-	25	25	37
12 - 15 Vaccination	-	-	-	8
National Tuition Funding	-	-	-	9
	-	219	219	211
TOTAL 2023	298	33,500	33,798	31,018
TOTAL 2022	178	30,840	31,018	

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Lettings Income	239	239	141
Uniform Income	6	6	6
Other Trading Income	2	2	-
	<u>247</u>	<u>247</u>	<u>147</u>
TOTAL 2022	<u>147</u>	<u>147</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Bank Interest	<u>24</u>	<u>24</u>	<u>3</u>
TOTAL 2022	<u>3</u>	<u>3</u>	

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. EXPENDITURE

	Staff Costs	Premises	Other	Total	Total
	2023	2023	2023	2023	2022
	£000	£000	£000	£000	£000
EXPENDITURE ON FUNDRAISING TRADING ACTIVITIES:					
Direct costs	-	-	25	25	25
EDUCATION:					
Direct costs	22,965	3,038	2,477	28,480	28,077
Allocated support costs	3,324	1,827	3,768	8,919	8,309
	<u>26,289</u>	<u>4,865</u>	<u>6,270</u>	<u>37,424</u>	<u>36,411</u>
TOTAL 2022	<u>25,496</u>	<u>7,203</u>	<u>3,712</u>	<u>36,411</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly	Support costs	Total funds	Total funds
	2023	2023	2023	2022
	£000	£000	£000	£000
Education	28,480	8,919	37,399	36,386
	<u>28,480</u>	<u>8,919</u>	<u>37,399</u>	<u>36,386</u>
TOTAL 2022	<u>28,077</u>	<u>8,309</u>	<u>36,386</u>	

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Education	Total	Total
	2023	funds	funds
	£000	2023	2022
		£000	£000
Pension finance costs	163	163	192
Staff costs	22,464	22,464	22,280
Depreciation	2,998	2,998	3,086
Educational supplies	860	860	881
Examination fees	431	431	389
Staff development	71	71	71
Other costs	104	104	61
Supply teachers	435	435	444
Technology costs	207	207	186
Legal and professional	205	205	253
Educational trips	513	513	221
(Profit) / Loss on disposal of fixed assets	29	29	13
	<u>28,480</u>	<u>28,480</u>	<u>28,077</u>
TOTAL 2022	<u>28,077</u>	<u>28,077</u>	

CASTLE SCHOOL EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Education 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Pension finance costs	51	51	80
Staff costs	3,215	3,215	2,651
Staff development	21	21	-
Other costs	78	78	43
Supply teachers	200	200	122
Recruitment and support	24	24	27
Maintenance of premises and equipment	1,836	1,836	2,150
Cleaning	857	857	793
Rent and rates	235	235	153
Energy costs	1,048	1,048	788
Insurance	124	124	112
Security and transport	15	15	19
Catering	362	362	306
Technology costs	437	437	411
Office overheads	164	164	163
Legal and professional	181	181	447
Bank interest and charges	10	10	6
Educational consultancy	22	22	-
Governance costs	39	39	38
	8,919	8,919	8,309
TOTAL 2022	8,309	8,309	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	28	7
Depreciation of tangible fixed assets	3,083	3,086
Fees paid to auditors for:		
- audit	29	27
- other services	9	7
	<u> </u>	<u> </u>

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	19,236	17,950
Social security costs	1,999	1,868
Pension costs	4,444	5,068
	<u>25,679</u>	<u>24,886</u>
Agency staff costs	610	566
Staff restructuring costs	-	44
	<u>26,289</u>	<u>25,496</u>

Staff restructuring costs comprise:

	2023 £000	2022 £000
Severance payments	-	44
	<u>-</u>	<u>44</u>

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10. STAFF (CONTINUED)

b. STAFF NUMBERS

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

	2023 No.	2022 No.
Teachers	313	317
Administration and support	260	254
Management	46	40
	<u>619</u>	<u>611</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	269	272
Administration and support	196	214
Management	41	36
	<u>506</u>	<u>522</u>

c. HIGHER PAID STAFF

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	11	9
In the band £70,001 - £80,000	7	1
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	2	1
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £595,263 (2022 - £616,548).

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NOTES TO THE FINANCIAL STATEMENTS
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11. CENTRAL SERVICES

In August 2023, the Trust moved to a pooled reserves policy held in a central fund. Central recharges were made up until this point.

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

- Strategic leadership
- Financial services
- HR advice and administration
- IT services
- Facilities and health & safety management
- Governance support
- Educational support

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

The central trust charges for these services based on 5% (2022: 5%) of the General Annual Grant funding in the reporting period.

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
The Castle School	410	399
Charfield School	45	45
Downend School	366	355
Lyde Green Primary School	99	95
Mangotsfield School	300	299
Marlwood School	147	125
Severn Beach Primary School	28	28
TOTAL	1,395	1,346

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2023	2022
		£000	£000
William Roberts, Chief Executive and Accounting Officer	Remuneration	145 - 150	135 - 140
	Pension contributions paid	30 - 35	30 - 35

During the year ended 31 August 2023, expenses totalling £1,761 were reimbursed or paid directly to 2 Trustees (2022: £1,170 to 3 Trustees) in relation to travel, subsistence and stationery.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
COST OR VALUATION						
At 1 September 2022	83,616	7,158	701	2,413	23	93,911
Additions	5,953	3,397	66	535	-	9,951
Disposals	(230)	-	(22)	(262)	-	(514)
Transfers between classes	-	(5,866)	-	-	-	(5,866)
At 31 August 2023	89,339	4,689	745	2,686	23	97,482
DEPRECIATION						
At 1 September 2022	28,258	-	547	1,803	23	30,631
Charge for the year	2,620	-	49	329	-	2,998
On disposals	(201)	-	(25)	(260)	-	(486)
At 31 August 2023	30,677	-	571	1,872	23	33,143
NET BOOK VALUE						
At 31 August 2023	58,662	4,689	174	814	-	64,339
At 31 August 2022	55,358	7,158	154	610	-	63,280

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. DEBTORS

	2023	2022
	£000	£000
DUE WITHIN ONE YEAR		
Trade debtors	79	123
Other debtors	4	10
Prepayments and accrued income	972	2,691
Tax recoverable	452	1,112
	<u>1,507</u>	<u>3,936</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£000	£000
Trade creditors	565	1,400
Other taxation and social security	533	437
Other creditors	534	486
Accruals and deferred income	1,418	2,591
	<u>3,050</u>	<u>4,914</u>

	2023	2022
	£000	£000
Deferred income at 1 September 2022	289	275
Resources deferred during the year	358	289
Amounts released from previous periods	(289)	(275)
	<u>358</u>	<u>289</u>

CASTLE SCHOOL EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. STATEMENT OF FUNDS

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
UNRESTRICTED FUNDS						
Astro-turf pitch sinking fund	432	-	-	50	-	482
Other unrestricted funds	1,330	569	(13)	(91)	-	1,795
	<u>1,762</u>	<u>569</u>	<u>(13)</u>	<u>(41)</u>	<u>-</u>	<u>2,277</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	544	25,685	(26,287)	766	-	708
16-19 Funding	-	2,415	(2,415)	-	-	-
Pupil Premium	-	899	(899)	-	-	-
Universal Infant Free School Meals	-	130	(130)	-	-	-
Teachers Pay & Pension Grant	-	102	(102)	-	-	-
School Supplementary Grant	-	782	(782)	-	-	-
COVID Funding	-	219	(219)	-	-	-
Other DfE	-	280	(280)	-	-	-
High Needs	-	1,558	(1,558)	-	-	-
Mainstream School Additional Grant	-	404	(404)	-	-	-
Other Government Grants	5	402	(407)	-	-	-
Other Restricted	109	692	(708)	41	-	134
Pension reserve	(4,799)	-	(222)	-	3,319	(1,702)
	<u>(4,141)</u>	<u>33,568</u>	<u>(34,413)</u>	<u>807</u>	<u>3,319</u>	<u>(860)</u>

**CASTLE SCHOOL EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

DfE/ESFA Capital Grants	6,043	4,122	(390)	(1,234)	-	8,541
Other Capital Grants	4,070	66	(180)	-	-	3,956
Inherited and Gifted Fixed Assets	54,202	-	(2,380)	-	-	51,822
Capital Expenditure from GAG	464	-	(48)	468	-	884
	<u>64,779</u>	<u>4,188</u>	<u>(2,998)</u>	<u>(766)</u>	<u>-</u>	<u>65,203</u>
TOTAL RESTRICTED FUNDS	<u>60,638</u>	<u>37,756</u>	<u>(37,411)</u>	<u>41</u>	<u>3,319</u>	<u>64,343</u>
TOTAL FUNDS	<u>62,400</u>	<u>38,325</u>	<u>(37,424)</u>	<u>-</u>	<u>3,319</u>	<u>66,620</u>

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

Restricted Funds

General Annual Grants (GAG) - The general annual grant (GAG) must be used for the normal running costs of the Academy Trust's schools. It can also be applied to capital expenditure.

Pupil Premium - Pupil premium funding must be used to address the inequalities between children eligible for free school meals and their peers.

UIFSM - This represents universal infant free school meals (UIFSM) from the ESFA.

Teachers Pay & Pension Grant - This income supports the Academy Trust with the cost of the increase in employer contributions to the teachers' pension scheme.

Mainstream Schools Additional Grant - this is an additional grant from the ESFA to increase the core school budget.

School Supplementary Grant - this is additional ESFA funding to provide support for the costs of the Health and Social Care Levy and wider costs.

DfE COVID-19 Funding - This represents funding received by the Academy Trust relating to costs incurred due to COVID-19 such as catch-up grant, mass testing funding and summer school allocation.

Other DfE Grants - Includes funding relating to rates relief, sports premium, FSM supplementary grant and bursary administration fee.

High Needs - Special Educational Needs (SEN) funding must be spent supporting pupils with statements of Education and Healthcare Plans.

**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (CONTINUED)

Other Government Grants - Includes funding received from the local authority and government for MAT development and improvement and school improvement.

Other Restricted Income - other restricted income received from the trust such as catering income, trip income and music services income etc.

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

Restricted Fixed Asset Fund

DfE/ESFA Capital Grants - Devolved capital grants can be used for capital expenditure and repairs to enhance the fabric of school buildings.

Other Capital Grants - Includes grants provided from external bodies specifically for capital purchases.

Inherited and Gifted Fixed Assets - The amount of inherited fixed assets represents the depreciated replacement cost of the predecessor schools' land and buildings and the fair value of equipment, which was transferred to the Academy Trust on conversion or merger.

Capital Expenditure from GAG - This relates to depreciated capital assets purchased from GAG.

Unrestricted Funds

Astro-turf Pitch Sinking Fund - This is a designated fund created by the Trustees to comply with the requirements of the funders of the Academy Trust's astro-turf pitches. The fund is to be used for the repair and maintenance of the astro-turf pitches.

Other Unrestricted Funds - Unrestricted funds are available to be spent on any purpose within the Academy Trust's charitable objects.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
UNRESTRICTED FUNDS						
Astro-turf pitch sinking fund	357	-	-	-	-	432
Other unrestricted funds	1,094	328	(17)	-	-	1,330
	<u>1,451</u>	<u>328</u>	<u>(17)</u>	<u>-</u>	<u>-</u>	<u>1,762</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	573	27,075	(28,094)	990	-	544
Pupil Premium	-	810	(810)	-	-	-
Universal Infant Free School Meals	-	125	(125)	-	-	-
Teachers Pay & Pension Grant	-	115	(115)	-	-	-
DfE COVID-19 Funding	155	211	(366)	-	-	-
Other DfE Grants	-	497	(497)	-	-	-
High Needs	8	1,400	(1,408)	-	-	-
Other Government Grants	-	214	(209)	-	-	5
Other Restricted	144	515	(502)	(48)	-	109
Pension reserve	(15,023)	-	(1,182)	-	11,406	(4,799)
	<u>(14,143)</u>	<u>30,962</u>	<u>(33,308)</u>	<u>942</u>	<u>11,406</u>	<u>(4,141)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

DfE/ESFA Capital Grants	6,138	1,711	(318)	(1,488)	-	6,043
Other Capital Grants	309	3,776	(15)	-	-	4,070
Inherited and Gifted Fixed Assets	56,820	-	(2,666)	48	-	54,202
Capital Expenditure from GAG	53	-	(87)	498	-	464
	<u>63,320</u>	<u>5,487</u>	<u>(3,086)</u>	<u>(942)</u>	<u>-</u>	<u>64,779</u>
TOTAL RESTRICTED FUNDS	<u>49,177</u>	<u>36,449</u>	<u>(36,394)</u>	<u>-</u>	<u>11,406</u>	<u>60,638</u>
TOTAL FUNDS	<u><u>50,628</u></u>	<u><u>36,777</u></u>	<u><u>(36,411)</u></u>	<u><u>-</u></u>	<u><u>11,406</u></u>	<u><u>62,400</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
The Castle School	-	1,025
Charfield School	-	67
Downend School	-	700
Lyde Green Primary School	-	345
Mangotsfield School	-	1,953
Marlwood School	-	(1,578)
Severn Beach Primary School	-	(92)
Centrally Pooled Balances	<u>3,119</u>	<u>-</u>
Total before fixed asset funds and pension reserve	<u>3,119</u>	<u>2,420</u>
Restricted fixed asset fund	<u>65,203</u>	<u>64,779</u>
Pension reserve	<u>(1,702)</u>	<u>(4,799)</u>
TOTAL	<u><u>66,620</u></u>	<u><u>62,400</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (CONTINUED)

During the year the Trustees moved to a pooled reserves model with all funds being held in a central reserve.

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
The Castle School	5,964	926	292	1,485	8,667	8,171
Charfield School	840	83	79	355	1,357	876
Downend School	5,434	609	291	1,471	7,805	7,724
Lyde Green Primary School	2,015	124	239	408	2,786	2,503
Mangotsfield School	4,282	619	518	1,441	6,860	6,483
Marlwood School	2,018	317	157	893	3,385	3,274
Severn Beach Primary School	500	74	35	245	854	801
Castle School Education Trust	595	1,346	44	727	2,712	3,493
ACADEMY TRUST	21,648	4,098	1,655	7,025	34,426	33,325

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	64,338	64,338
Current assets	2,277	3,892	865	7,034
Creditors due within one year	-	(3,050)	-	(3,050)
Provisions for liabilities and charges	-	(1,702)	-	(1,702)
TOTAL	2,277	(860)	65,203	66,620

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	63,280	63,280
Current assets	1,763	5,572	1,499	8,834
Creditors due within one year	-	(4,914)	-	(4,914)
Provisions for liabilities and charges	-	(4,799)	-	(4,799)
TOTAL	1,763	(4,141)	64,779	62,401

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£000	£000
Net income for the year (as per Statement of Financial Activities)	900	366
ADJUSTMENTS FOR:		
Depreciation	2,998	3,086
Capital grants from DfE and other capital income	(4,188)	(5,487)
Interest receivable	(24)	(3)
Defined benefit pension scheme cost less contributions payable	199	910
Defined benefit pension scheme finance cost	-	272
Decrease/(increase) in debtors	2,428	(2,601)
(Decrease)/increase in creditors	(1,864)	2,569
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	449	(888)

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£000	£000
Interest receivable	24	3
Purchase of tangible fixed assets	(4,031)	(7,985)
Capital grants from DfE and other capital income	4,188	5,487
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	181	(2,495)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023	2022
	£000	£000
Cash in hand and at bank	5,383	2,255
Notice deposits (less than 3 months)	144	1,641
Notice deposits (more than 3 months)	-	1,001
TOTAL CASH AND CASH EQUIVALENTS	5,527	4,897

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	4,897	630	5,527
	<u>4,897</u>	<u>630</u>	<u>5,527</u>

23. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £522,000 were payable to the schemes at 31 August 2023 (2022 - £456,000) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

23. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024 and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £2,611,000 (2022 - £3,034,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,490,000 (2022 - £1,385,000), of which employer's contributions totalled £1,184,000 (2022 - £1,119,000) and employees' contributions totalled £ 306,000 (2022 - £266,000). The agreed contribution rates for future years are 19.5% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

Avon Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	4.3	4.4
Rate of increase for pensions in payment	2.9	3
Discount rate for scheme liabilities	5.4	4.3
Inflation assumption (CPI)	2.8	2.9

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

	2023	2022
	Years	Years
RETIRING TODAY		
Males	22	23.1
Females	24	25.3
RETIRING IN 20 YEARS		
Males	23.2	24.6
Females	25.7	27.3

SENSITIVITY ANALYSIS

Avon Pension Fund

	2023	2022
	£000	£000
Discount rate +0.1%	(360)	(443)
Discount rate -0.1%	366	-
Mortality assumption - 1 year increase	452	478
Mortality assumption - 1 year decrease	(443)	-
CPI rate +0.1%	366	452
CPI rate -0.1%	(360)	-

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	6,731	7,694
Government bonds	4,166	1,844
Other bonds	1,785	1,360
Property	1,272	1,360
Cash and other liquid assets	205	56
Other	6,362	6,315
TOTAL MARKET VALUE OF ASSETS	20,521	18,629

The actual return on scheme assets was £(410,000) (2022 - £(364,000)).

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

	2023 £000	2022 £000
Current service cost	(1,192)	(2,029)
Interest income	822	285
Interest cost	(1,005)	(557)
Administrative expenses	(31)	-
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,406)	(2,301)

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

	2023 £000	2022 £000
AT 1 SEPTEMBER	23,428	32,662
Current service cost	1,192	2,029
Interest cost	1,005	557
Employee contributions	306	266
Actuarial gains	(3,207)	(12,081)
Benefits paid	(501)	(5)
AT 31 AUGUST	22,223	23,428

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23. PENSION COMMITMENTS (CONTINUED)

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

	2023 £000	2022 £000
AT 1 SEPTEMBER	18,629	17,639
Interest income	822	312
Actuarial gains/(losses)	112	(675)
Employer contributions	1,184	1,119
Employee contributions	306	266
Benefits paid	(501)	(5)
Administration expenses	(31)	(27)
AT 31 AUGUST	20,521	18,629

24. OPERATING LEASE COMMITMENTS

The Academy Trust had no commitments under non-cancellable operating leases at 31 August 2023.

25. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

26. RELATED PARTY TRANSACTIONS

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

27. POST BALANCE SHEET EVENTS

On 1 September 2023 Tortworth Primary School converted to academy trust status under the Academies Act 2010 and became the responsibility of Castle School Education Trust. The operations and assets and liabilities of the school were transferred to the Trust from South Gloucestershire Council.

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28. AGENCY ARRANGEMENTS

The Academy Trust distributes 16 - 19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the Academy Trust received £10,612 (2022: £13,890) and disbursed £18,148 (2022: £15,211) from the fund. An amount of £6,771 (2022: £20,906) is included in other creditors related to undistributed funds that are repayable to ESFA if not disbursed.