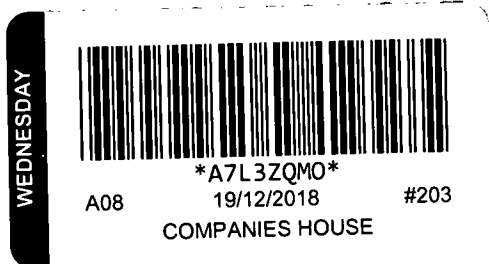


CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Stephen Churchill
Stuart Magnus
Helen Duncan-Jordan
Mark Tointon

Trustees

Stephen Churchill, Chair of Trustees¹
Helen Duncan-Jordan
Michael Brooke (resigned 1 September 2018)¹
Mark Tointon (resigned 30 August 2018)
Rhonda Moore, Executive Headteacher¹
Anne Hanby
Joseph Heppenstall
Mark Grigsby¹
Christopher Shaw
Nicholas Stebbing

¹ members of the Finance and Audit Committee

Company registered number

09101036

Company name

Castleman Academy Trust

Principal and registered office

Broadstone First School, Tudor Road, Broadstone, Dorset, BH18 8AA

Company secretary

Gillian McDonald

Accounting officer

Rhonda Moore

Senior management team

Rhonda Moore, Executive Headteacher
Dawn Wilks, Head of Middle School
Michelle Stone, Head of First School
Stuart Bonham, Estates Manager
Shelllianne Randall, Chief Financial Officer

Independent auditors

James Cowper Kreston, 9th Floor, The White Building, 1-4 Cumberland Place, Southampton, Hampshire, SO15 2NP

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

Advisers (continued)

Bankers

Lloyds Bank plc, 4 Castle Street, Christchurch, Dorset, BH23 1DU

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Castleman Academy Trust (the academy) for the year ended 31 August 2018. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Trust deed on 24 June 2014.

The charitable company's Trust deed is dated 24 June 2014, as a Multi-Academy Trust.

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trust annually audits the skills and expertise of the Board members, identifying any areas where more expertise is required.

When positions become available, they are advertised locally and identify the specific area of need on the Trust Board (eg. Finance experience, HR experience etc).

Those who apply are interviewed by members of the Board and references asked for. Recommendations are made to the Board on successful candidates and these are voted on.

Those who apply are interviewed by members of the Board and references asked for. Recommendations are made to the Board on successful candidates and these are voted on and recommended to Members for appointment.

Those who are successful undertake an Induction programme and are provided with a mentor to support them in their roles.

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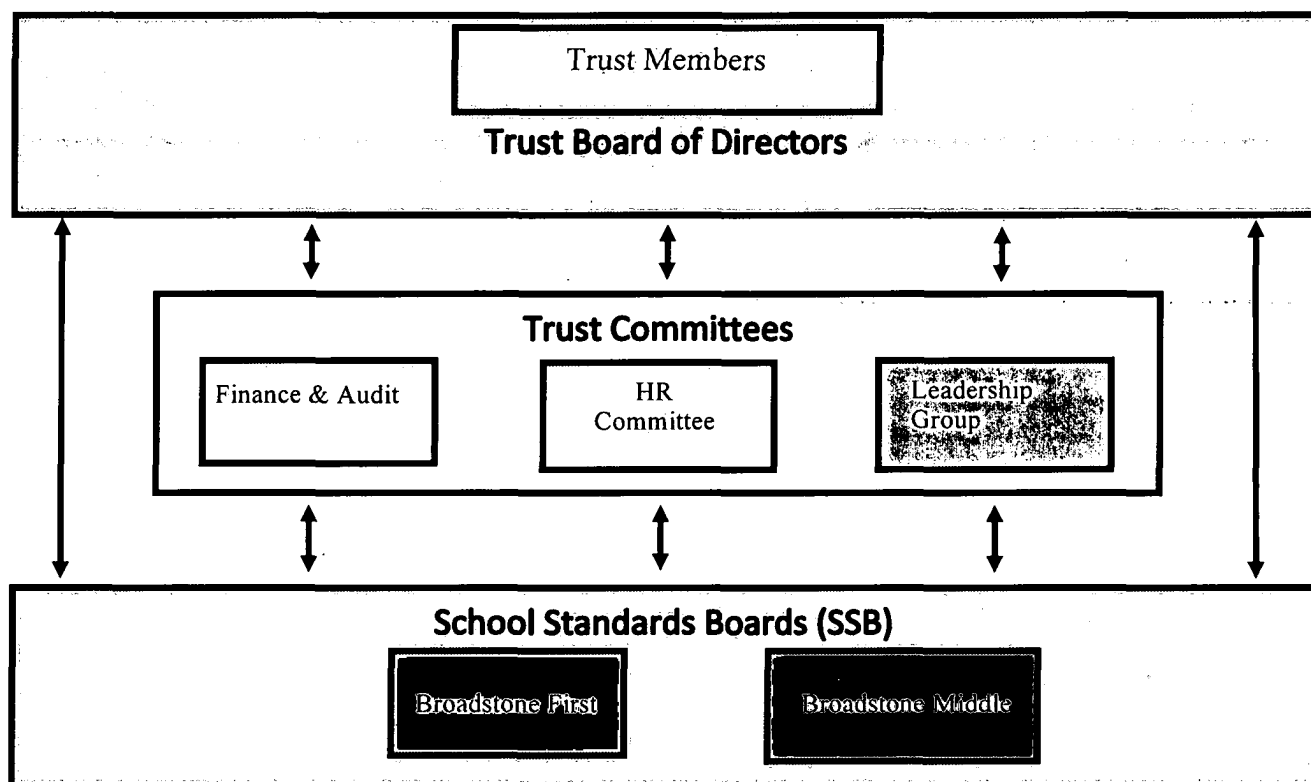
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. ORGANISATIONAL STRUCTURE



CASTLEMAN ACADEMY TRUST

GOVERNANCE STRUCTURE



The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The financial reporting structure is illustrated below:

The Board of Directors

The Board of Directors has overall responsibility for the administration of the academy's finances. The main responsibilities of the Board of Directors are prescribed in the Master Funding Agreement and respective Supplemental Funding Agreements between the academy and the DfE and in the academy's Scheme of Delegation. The main responsibilities include:

- Ensuring that the grant from the DfE is used only for the purposes intended.
- Approval of the annual budget for each school and the Trust.
- Appointment of the Accounting Officer.

The Board of Directors has wide discretion over its use of the Academy's funds, and is ultimately responsible for the proper stewardship of those funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability or propriety.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Academy Finance & Audit Committee is a committee of the Board of Directors. The Committee meets at least once per term, but more frequent meetings are arranged as necessary. The main responsibilities of the Finance & Audit Committee are detailed in written terms of reference which have been authorised by the Board of Directors and they include:

- Providing guidance and direction for the annual budget process.
- Agreeing a mechanism for accounting for central academy services and setting the annual contribution from each school.
- The review and authorisation of the annual budget of each school and any subsequent revised budgets submitted each school year.
- The regular monitoring of actual expenditure and income against budget.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies.
- Authorising the award of contracts and leases over £10,000.
- Authorising changes to the central academy personnel establishment.
- Reviewing the reports of the Audit Committee on the effectiveness of the financial procedures and controls. These reports must also be reported to the full Board of Directors meeting.
- Monitor the application of the Pay Policy across the Trust and each of its schools.

Chief Executive Officer – Accounting Officer

The Chief Executive Officer is the appointed Academy Accounting Officer and has overall personal responsibility for:

- Probity and regularity compliance.
- Prudent and economical academy administration.
- Keeping of proper academy accounts.
- Ensuring value for money and avoiding waste and extravagance across the whole academy.
- Efficient and effective use of available academy resources.

Much of the responsibility is delegated to the Trust Finance Manager to manage on a day-to-day basis. Additionally, within a framework that comprises the academy vision, strategic objectives and academy school improvement plan, approved by the Board of Directors, each Head Teacher has responsibility for their individual School Innovation Plans including the setting of their school's individual budget and financial activities, which is proposed by the Chief Executive Officer, then recommended by the Finance and Audit Committee and adopted by the Trust Board. Budgets are approved annually and as required.

The Trust Finance Manager

The Trust Finance Manager works in close collaboration with the Accounting Officer through whom s/he is responsible to the Board of Directors. The Trust Finance Manager also has direct access to the Board of Directors and the Trust Finance & Audit Committee. The main responsibilities of the Trust Finance Manager are:

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the academy financial position at a strategic and operational level within the framework for financial control determined by the Board of Directors.
- The maintenance of effective systems of internal control.
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy.
- The preparation of monthly management accounts.
- Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

The CAT Finance Manager position was left vacant this year due to the resignation of the postholder. Given that the Trust was exploring the possibility of merging with another Trust, it was decided to leave the position vacant to avoid recruitment and retention issues. The Trust bought in the Finance Director services on a part time and temporary basis. With there now being greater certainty around the future of the Trust, we are now seeking to appoint to a permanent, full time post.

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

Other Staff

Other members of staff, primarily the School Finance Officers, School Finance Assistants and budget holders at each school, will have some financial responsibilities and these are detailed in the ESFA Finance Handbook and Castleman Academy Financial Regulations Manual. All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The pay scales for the Leadership Group are set out in the Whole School Pay Policy that is reviewed by the Trustees annually. Scales are based on the scale point of the school referring to number of students as set out within the DfE's School Teachers' Pay and Conditions Document (STPCD).

Objectives and Activities

a. OBJECTS AND AIMS

Taken from the Objects as described in the Articles of Association:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

i. Academies other than those designated Church of England, whether with or without a designated religious character; and

ii. Church of England Academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any reasonable directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England; and

(b) as ancillary to (a), and with the written agreement of the Trustees in respect of Academies falling under (a)(ii), to promote for the benefit of the inhabitants of the areas served by the Academies the provision of services for other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Castleman Academy Trust Vision statement approved by the Board of Directors:

The Trust encourages and nurtures strong relationships between member schools and within our locality, fostering the dissemination of good practice and a self-sustaining culture of aspiration for education excellence across our schools. We aim to provide a sharp focus on accountability and continuous improvement in all our work and operate as a financially effective organisation so that resource can be focussed on ensuring the best possible learning for our students.

We revisit this annually to ensure our provision is fit for purpose and reflects the most up to date educational thinking and practice.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Enhancing the governance of the Trust Board

Success will mean that the Board will have an established framework to ensure optimal and measurable progress towards the aims and objectives of the Trust. They will fully understand the management of risk to the Trust and have in place mitigating actions to tolerate and control such risks. They will be continually refreshed with the right skill set to drive forward the organisation.

2. Improving the School Standards Boards (SSBs) (Local Governing Bodies) to ensure better performing schools

We aim to ensure SSBs have the right balance of skills and experience along with clear plans and processes in place to effectively carry out their role. They will take greater ownership of accountability in standards, and have a greater understanding of student achievement in their schools. They will challenge and support Headteachers and hold them to account for standards achieved. The SSB will provide robust scrutiny and challenge on behalf of the Trustees.

3. School improvement and effectiveness

As the most important element of our work, we want all schools in the Trust to be graded as Good or Outstanding within two years, with all teaching being good or better. We are aiming to ensure Progress and attainment in our schools will not only exceed floor targets but will be comparable with the very best for pupil progress and outcomes. We want our schools to successfully and accurately self-evaluate, promoting a culture of continued improvement and high aspiration. High quality professional development will lead to our Trust attracting and retaining the very best teachers and leaders.

4. Financial management, business effectiveness and efficiency

The Trust has developed a robust administrative, site and financial structure enable it to use resources more effectively, implement systems to support efficiencies and scales of economy so that greater resource is directed to classrooms and learning. Training and development ensures succession planning is in place for all key roles. MIS will be robust and fit for purpose. Information will be managed effectively and will support all areas of Trust work. We want the Trust presence to develop and be widely recognised as we grow by at least one school this year. Prospective schools will have confidence in the Trust and what it has to offer, leading to greater interest in joining the Trust.

All commissioned services whether from third parties or the Trust staff have added value over time to the learnings and to the business ensuring they are effective, efficient and avoid duplication and unnecessary bureaucracy.

5. Development of the Trust

Following its successful establishment, the Trust has continued to explore the development of relationships with other local schools in the area to further optimise and improve upon academic and financial performance. The Trust is now working to formalise some relationships to provide an optimal model to move forward with and secure to the long-term future of the Trust.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

- High quality CPD programme for all staff, including leadership development.
- Curriculum provision that is contextual in approach, ensures total coverage of the National Curriculum
- Regular monitoring of school performance, including inspections, reviews, observations, audits
- Rigorous Performance Management procedures for all staff in the Trust

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

i. Our aim is to be a leading Multi Academy Trust in southern England - Performance Indicators:

- All Academy Schools to have an Ofsted outstanding rating.
- All Academy Schools to consistently achieve attainment standards within the top 25% nationally.

ii. We want to achieve seamless progression across all key stages - Performance Indicators:

- Implement a 'through-life' teaching and learning strategy.
- Create a rich and motivating curriculum acknowledged through student and parental 'voice' feedback and independent verification.

iii. Maximise engagement with students, their families and the local community to be a part of a vibrant community by auditing the Academy's delivery of a 'safe, creative and ethical environment' with staff, parents and the local community.

iv. Build a viable and sustainable long term Education Strategy - Performance Indicators:

- Produce and publish a Castleman Academy Trust Development Plan.
Proactively support the conversion of Partnership schools to Academy status with feedback via the Headteacher Steering Group.

v. Ensure that our Academy proactively adds value to member schools Performance Indicators:

- Academy Board to subjectively assess the quality of approved 'Added Value Projects' being successfully implemented each year; and /or assessment by School Standards Boards using questionnaires with ratings on added-value progress.
- Additional investment made available per year by becoming a Multi-Academy Trust – whether derived via economies of scale or other savings (measured as absolute quantum or % of total budget).

d. PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

e. TRADE UNION FACILITY TIME

There were no employees who were relevant union officials.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

Primary Schools Summary							
Broadstone Middle	Attainment				Progress		
					Official progress scores not released until December. These are provisional)		
	Reading ARE	Writing ARE	Maths ARE	SPAG ARE	Reading	Writing	Maths
	79 (75)	88 (78)	74 (76)	85 (77)	-0.3	+1.1	-2.3
	Commentary: (figures in brackets are national figures) Progress figures have continued to improve. Attainment remains at or above national levels except in Maths attainment which is 2 percentage points lower this year. There were 13 children within 2 scaled points of the 100 (pass) mark which has impacted on the attainment percentage. We have however improved maths progress scores year on year. Looking at attainment measures for higher attainment standard the school has performed well above national averages. At the higher standard: Reading 10.5% above national average: Writing 15.9% higher: Maths 3.7% higher: EPGS 7.3% higher: Combined RW&M 11.3%						
Broadstone First	Reading ARE	Writing ARE	Maths ARE	Phonics	EYFS GLD		
	87 (75)	83 (70)	85(76)	80 (83)	79 (72)		
	Commentary: (figures in brackets are national figures) Attainment remains strong and is well above national levels. Phonics attainment was a concern last year and has dipped below national average level. Staffing has been secured so that going forward there are strong teachers in both year 1 and also year 2 so that those who did not secure the pass mark in year 1 catch up with their peers.						

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

b. GOING CONCERN

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

It is clear that funding provided to schools is reducing and this is leading to greater pressure on the workforce and reserves. The Trust has devised balanced budgets for the coming year and is working on ensuring the same for subsequent years. However, falling rolls, greater competition and slow growth are exacerbating effective financial planning.

We are working very hard to attract schools to the Trust to further secure its future.

c. REVIEW OF ACTIVITIES

- Marketing to ensure the school meets the PAN.
- Reputational repair to ensure the school meets the PAN.
- Restructure of teaching and support staff to increase maintenance efficiencies across academy schools and maintain a structure that will support collaboration and development opportunities. This has also resulted in greater consistency and realising further efficiencies.
- Rolling programme of site maintenance in place to ensure site is managed effectively, is health and safety compliant and fit for purpose.
- ICT strategic responsibility in place and developed over the year to ensure value for money and long term viability of IT resource and delivery.
- Further developed and formalised links with pyramid upper school to realise efficiencies and harmonise curriculum structure.
- All positions successfully recruited to for 2018/2019 Academic year.
- Governance Review to ensure Governors carrying out responsibilities and develop the role in order to ensure standards are the sole focus of school based Governors.
- Staff training to ensure staff understand excellent progress and how they can impact on this.
- Growth of the Trust to support financial effectiveness and school improvement.
- Maintained links and reviewed structures with other Multi Academy Trusts both locally and nationally to ensure that optimum structures and opportunities are maintained.
- Continual exploration of developing relationships with other schools in the local area to further optimise and improve academic and financial performance.

d. INVESTMENT POLICY AND PERFORMANCE

Investments will be made only in accordance with written procedures approved by the Board of Directors. At present, all funds held by the Academy as at the 31 August 2018 were in an interest bearing account with Lloyds Banking Group.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

Financial review

a. RESERVES POLICY

We have developed a Reserves Policy to ensure the stability of the Trust's organisational operations are protected and the Trust is able to adjust quickly to financial circumstances. Reserves should be used to fund future capital expenditure or be a contingency fund. They also fund development plans and strategic long term aims and developments.

In using and keeping reserves, the Trust Board should:

1. Identify the appropriate use of Reserve funds

The Trustees, with Senior Leadership, will identify the need for access to reserve funds and confirm that the use is consistent with the purpose the reserve as described in the policy. This will require analysis of the reason for any shortfall, the availability of any other sources of funds before using reserves and the evaluation of the time period that the funds will be required and replenished.

2. Authorise the use of reserves

Authorisation to use reserves of any kind will be made by the Trustees and the Finance Committee.

3. Report and Monitor the use of Reserves

The Trustees are responsible for ensuring that the funds are maintained and are used only as described in this policy.

Restricted Reserves

Restricted reserves are represented by the main income for the Trust schools which is General Annual Grant (GAG), other grant contributions or donations that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements or donor's instructions.

Academies can carry forward GAG restricted funds to be used for future years mainly for capital and a small percentage for operational purposes.

The Trustees have determined that the appropriate level of reserves should be equivalent to one month's average operational costs which will include salaries and pensions, occupancy costs and external services' costs. The Trust will review the reserve levels annually and this review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

All reserves are reported and reviewed regularly at management meetings and expenditure from reserves approved by the Trustees.

Unrestricted Funds

These are made up of the Trust's activities for generating funds, investment income and other donations which are expendable at the discretion of the Trustees in furtherance to achieve the objectives of the Trust and its schools.

These funds will be reviewed regularly by the Trustees and Finance Committee and are obtained through one off donations and are generally built up over time from fund generating activities and investments.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

Designated Funds

These are unrestricted funds that have been allocated by the Trustees for a particular purpose. These funds are reviewed regularly and approved by the Trustees and the Finance Committee: they are obtained by designated funds from unrestricted funds.

b. PRINCIPAL RISKS AND UNCERTAINTIES

Potential of Academy Schools to sustain favourable Ofsted inspections. The Board acknowledges that our future success is inextricably linked to the performance of each of our academy schools and the continuous improvement of our reputation and achievements. Consequently, the Board acknowledges this risk.

Regular external review of schools in the Trust are carried out to validate the judgements of Senior Leaders. Whilst we recognise the great amount of high quality improvement work carried out by Directors, Governors, Senior Leaders and staff, the risk still remains.

We have worked hard this year to restructure staffing and ensure succession planning and coverage of key posts is in place to ensure business continuity.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Board of Directors approved an overall Academy budget for the period 1st September 2017 to 31st August 2018. During this period, our total General Annual Grant was £2,902,693 (2017: £3,035,619).

For this period:

- The Academy predicted a total income of £3,264,256 and we received £3,444,117.
- The Academy predicted staffing costs before pension cost charges at £2,648,843 and actually spent £2,561,171.
- The Academy predicted total revenue expenditure before pension cost charges at £3,246,580 and actually spent £3,116,815.

d. PRINCIPAL FUNDING

The Trusts funding is from the DfE.

We are working closely with the DfE to secure MAT growth and have had authorisation from them to develop a locally based MAT over the coming year.

Fundraising

The CAT Academies rely heavily on the Parent Teacher Associations related to each school, to fundraise. These PTAs are registered with the Charity Commission and use the monies raised to support the school with equipment and resources to enhance pupil experiences.

Each school has Senior Leaders represented on the Committees for each PTA. Events are diarised a year in advance and kept to a reasonable amount to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

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

Plans for future periods

a. KEY OBJECTIVES AND AIMS FOR THE FUTURE

As per our Business Plan, we remain focussed on

1. Continuous School Improvement and Effectiveness. We aim to ensure that schools within the Trust are judged, at least, as "Good" by OfSTED and strive to work towards an "Outstanding" rating where ever possible.
2. Securing growth of the Trust by developing formal partnerships with schools in our local area, both mainstream and those schools supporting Special Educational Needs.
3. Continuing to manage finances, on a day to day basis and strategically to ensure future financial security.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the The management of the academy is the responsibility of the ~~Trustees who are elected and co-~~ opted under the terms of the Articles of Association are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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

.....
Stephen Churchill
Chair of Trustees

13/12/18

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings-attended	Out of a possible
Stephen Churchill, Chair of Trustees	6	6
Helen Duncan-Jordan	3	6
Michael Brooke	4	6
Mark Tointon	6	6
Rhonda Moore, Executive Headteacher	6	6
Anne Hanby	5	6
Joseph Heppenstall	5	6
Mark Grigsby	6	6
Christopher Shaw	5	6
Nicholas Stebbing	4	6

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is outlined in the Academy's Financial Handbook.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Stephen Churchill	4	6
Rhonda Moore	5	6
Mike Brooke	6	6
Nicholas Stebbing	5	6
Mark Grigsby	6	6
Christopher Shaw	5	6

REVIEW OF VALUE FOR MONEY

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

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

- Following the rules and regulations set down in the Academies Financial Handbook
- Training staff to look for best value when ordering or securing support for their departments
- Seeking advice from experts regarding how to improve with regard to value for money (audit and LA representatives)

CASTLEMAN ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- Meet with Academy colleagues to research good practice
- Attend briefings/meetings to keep up to date with latest developments
- Restructuring teaching and support staff
- Securing high quality financial leadership

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castleman Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

On a termly basis, the reviewer reports to the board of trustees through the trust board 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 Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on

and signed on their behalf, by:



.....
Stephen Churchill
Chair of Trustees

13/12/18



.....
Rhonda Moore
Accounting Officer

13/12/18

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2017.

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

RB Moore

.....
Rhonda Moore
Accounting Officer

13/12/18

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

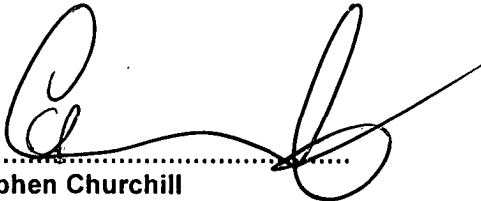
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 on

and signed on its behalf by:


.....
Stephen Churchill
Chair of Trustees

13/12/18

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

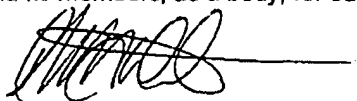
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

USE OF OUR REPORT

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Hallsworth FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 14.12.2018

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 15 January 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castleman Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Castleman Academy Trust's funding agreement with the Secretary of State for Education dated 24 June 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

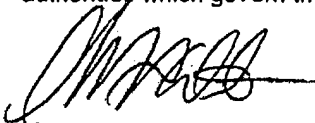
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

CONCLUSION

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



Louise Hallsworth FCA

James Cowper Kreston

Chartered Accountants and Statutory Auditor

9th Floor
The White Building
1-4 Cumberland Place
Southampton
Hampshire
SO15 2NP

Date: 14.12.2018

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	2	1,054	11,879	18,243	31,176	49,035
Charitable activities	3	210,324	3,156,651	-	3,366,975	3,470,371
Other trading activities	4	45,639	-	-	45,639	55,814
Investments	5	328	-	-	328	286
TOTAL INCOME AND ENDOWMENTS		257,345	3,168,530	18,243	3,444,118	3,575,506
EXPENDITURE ON:						
Charitable activities		50,111	3,284,696	299,431	3,634,238	3,856,450
TOTAL EXPENDITURE	6	50,111	3,284,696	299,431	3,634,238	3,856,450
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		207,234	(116,166)	(281,188)	(190,120)	(280,944)
Transfers between Funds	17	-	(1,501)	1,501	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		207,234	(117,667)	(279,687)	(190,120)	(280,944)
Actuarial gains on defined benefit pension schemes	22	-	356,000	-	356,000	270,000
NET MOVEMENT IN FUNDS		207,234	238,333	(279,687)	165,880	(10,944)
RECONCILIATION OF FUNDS:						
Total funds brought forward		219,829	(1,962,105)	16,797,438	15,055,162	15,066,106
TOTAL FUNDS CARRIED FORWARD		427,063	(1,723,772)	16,517,751	15,221,042	15,055,162

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09101036

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		16,517,751		16,797,438
CURRENT ASSETS					
Debtors	15	105,666		105,934	
Cash at bank and in hand		701,035		386,142	
		<u>806,701</u>		<u>492,076</u>	
CREDITORS: amounts falling due within one year	16	<u>(218,410)</u>		<u>(211,352)</u>	
NET CURRENT ASSETS			588,291		280,724
TOTAL ASSETS LESS CURRENT LIABILITIES			17,106,042		17,078,162
Defined benefit pension scheme liability	22		<u>(1,885,000)</u>		<u>(2,023,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			15,221,042		15,055,162
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	161,228		60,895	
Restricted fixed asset funds	17	<u>16,517,751</u>		<u>16,797,438</u>	
Restricted income funds excluding pension liability		<u>16,678,979</u>		<u>16,858,333</u>	
Pension reserve		<u>(1,885,000)</u>		<u>(2,023,000)</u>	
Total restricted income funds			14,793,979		14,835,333
Unrestricted income funds	17		<u>427,063</u>		<u>219,829</u>
TOTAL FUNDS			15,221,042		15,055,162

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



Stephen Churchill
 Chair of Trustees

13/12/18

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>334,308</u>	<u>178,377</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		328	286
Purchase of tangible fixed assets		<u>(19,743)</u>	<u>(88,369)</u>
Net cash used in investing activities		<u>(19,415)</u>	<u>(88,083)</u>
Change in cash and cash equivalents in the year		314,893	90,294
Cash and cash equivalents brought forward		<u>386,142</u>	<u>295,848</u>
Cash and cash equivalents carried forward	20	<u><u>701,035</u></u>	<u><u>386,142</u></u>

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

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

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	over the term of the lease (125 years)
Furniture and fixtures	-	10% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33.33% straight line

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

1.6 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.

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

1. ACCOUNTING POLICIES (continued)

1.7 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.9 Taxation

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

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.11 Fund accounting

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

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

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

CASTLEMAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,054	11,879	-	12,933	30,426
Capital Grants	-	-	18,243	18,243	18,609
	<u>1,054</u>	<u>11,879</u>	<u>18,243</u>	<u>31,176</u>	<u>49,035</u>
Total 2017	<u>-</u>	<u>30,426</u>	<u>18,609</u>	<u>49,035</u>	

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,902,693	2,902,693	3,035,619
Other DfE/ESFA Grants	-	217,776	217,776	188,362
	<u>-</u>	<u>3,120,469</u>	<u>3,120,469</u>	<u>3,223,981</u>
Other government grants				
Local authority grants	-	36,182	36,182	24,966
	<u>-</u>	<u>36,182</u>	<u>36,182</u>	<u>24,966</u>
Other funding				
School trip income	72,997	-	72,997	102,880
Music income	20,411	-	20,411	22,281
Other income	78,434	-	78,434	71,943
Kids club	18,074	-	18,074	24,320
Production/Performance Income	8,833	-	8,833	-
Teacher Training Scheme	2,510	-	2,510	-
Catering income	9,065	-	9,065	-
	<u>210,324</u>	<u>-</u>	<u>210,324</u>	<u>221,424</u>
	<u>210,324</u>	<u>3,156,651</u>	<u>3,366,975</u>	<u>3,470,371</u>
Total 2017	<u>149,481</u>	<u>3,320,890</u>	<u>3,470,371</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	15,468	15,468	49,028
Hire of facilities	30,171	30,171	6,786
	<u>45,639</u>	<u>45,639</u>	<u>55,814</u>
Total 2017	<u>55,814</u>	<u>55,814</u>	

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FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	328	328	286
	<u> </u>	<u> </u>	<u> </u>
Total 2017	286	286	
	<u> </u>	<u> </u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	2,393,450	127,858	132,615	2,653,923	2,767,985
Support costs	334,721	187,294	458,300	980,315	1,088,465
	<u>2,728,171</u>	<u>315,152</u>	<u>590,915</u>	<u>3,634,238</u>	<u>3,856,450</u>
Total 2017	2,851,624	374,694	630,132	3,856,450	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	51,000	44,000
Educational supplies	34,879	83,960
Staff development	18,535	28,699
Educational consultancy	18,471	6,145
Technology costs	3,828	2,550
Other costs	5,902	6,286
Wages and salaries	1,784,553	1,854,174
National insurance	149,019	159,780
Pension cost	459,878	454,533
Depreciation	127,858	127,858
	<u>2,653,923</u>	<u>2,767,985</u>
	<u> </u>	
Total 2017	2,767,985	
	<u> </u>	

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

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Technology costs	16,940	29,101
Other costs	26,884	29,594
Recruitment and support	12,324	8,001
Maintenance of premises and equipment	46,690	64,108
Cleaning	66,203	68,197
Rent and Rates	36,964	30,911
Energy costs	37,437	39,493
Insurance	17,622	16,400
Security and transport	15,963	1,307
Catering	48,975	69,653
School trip costs	78,936	106,331
Office overheads	25,525	62,620
Audit and accountancy	9,288	8,633
Professional fees	34,270	1,820
Wages and salaries	270,246	314,930
National insurance	19,608	20,806
Pension cost	44,867	47,401
Depreciation	171,573	169,159
	<u>980,315</u>	<u>1,088,465</u>
Total 2017	<u>1,088,465</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:
£11,548 (2017 - £10,453) included within the table above in respect of direct costs.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	299,431	297,017
Auditors' remuneration - audit	5,500	5,000
Auditors' remuneration - other services	1,400	1,200
	<u>306,331</u>	<u>303,217</u>

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,021,068	2,121,254
Social security costs	168,627	180,586
Operating costs of defined benefit pension schemes	504,745	501,934
	<u>2,694,440</u>	<u>2,803,774</u>
Agency staff costs	25,591	8,250
Staff restructuring costs	8,140	39,600
	<u>2,728,171</u>	<u>2,851,624</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	8,140	39,600

b. Staff numbers

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

	2018 No.	2017 No.
Teaching staff	45	39
Administration and Support staff	53	62
Management	8	6
	<u>106</u>	<u>107</u>

c. Higher paid staff

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

	2018 No.	2017 No.
- In the band £60,001 - £70,000	1	1

The employee above participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employers' pension contributions for these staff amounted to £10,360 (2017 - £10,009).

d. Key management personnel

The key management personnel of the academy trust comprise of trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £394,045 (2017: £318,467).

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

11. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
Rhonda Moore	Remuneration	35,000-40,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

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.

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	15,982,224	1,686,591	-	2,000	17,670,815
Additions	-	17,858	1,886	-	19,744
At 31 August 2018	15,982,224	1,704,449	1,886	2,000	17,690,559
Depreciation					
At 1 September 2017	383,574	488,303	-	1,500	873,377
Charge for the year	127,858	170,445	628	500	299,431
At 31 August 2018	511,432	658,748	628	2,000	1,172,808
Net book value					
At 31 August 2018	15,470,792	1,045,701	1,258	-	16,517,751
At 31 August 2017	15,598,650	1,198,288	-	500	16,797,438

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

15. DEBTORS

	2018	As restated 2017
	£	£
Trade debtors	14,186	2,702
VAT repayable	16,785	22,780
Prepayments and accrued income	74,695	80,452
	<u>105,666</u>	<u>105,934</u>

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	46,225	76,105
Other taxation and social security	38,719	42,956
Other creditors	39,725	44,407
Accruals and deferred income	93,741	47,884
	<u>218,410</u>	<u>211,352</u>

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	34,541	59,943
Resources deferred during the year	69,503	34,541
Amounts released from previous years	(34,541)	(59,943)
Deferred income at 31 August 2018	<u>69,503</u>	<u>34,541</u>

At the balance sheet date the Trust was holding funds received in advance for Universal Infant Free School Meals, Rates Relief and trips taking place in the 2017-18 academic year.

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

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	219,829	257,345	(50,111)	-	-	427,063
Restricted funds						
General Annual Grant (GAG)	60,895	2,902,693	(2,800,859)	(1,501)	-	161,228
Other DfE/ESFA grants	-	217,776	(217,776)	-	-	-
Local authority grants	-	36,182	(36,182)	-	-	-
Other restricted funds	-	11,879	(11,879)	-	-	-
Pension reserve	(2,023,000)	-	(218,000)	-	356,000	(1,885,000)
	<u>(1,962,105)</u>	<u>3,168,530</u>	<u>(3,284,696)</u>	<u>(1,501)</u>	<u>356,000</u>	<u>(1,723,772)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	16,797,438	18,243	(299,431)	1,501	-	16,517,751
Total restricted funds	<u>14,835,333</u>	<u>3,186,773</u>	<u>(3,584,127)</u>	<u>-</u>	<u>356,000</u>	<u>14,793,979</u>
Total of funds	<u>15,055,162</u>	<u>3,444,118</u>	<u>(3,634,238)</u>	<u>-</u>	<u>356,000</u>	<u>15,221,042</u>

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

Unrestricted funds

These funds are for the general use of the academy and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency (ESFA) during the year in order to fund the continuing activities of the Trust.

Other DfE/ESFA grants, which includes pupil premium. This represents funding received from the ESFA to cater for disadvantaged pupils.

Local authority grants include high needs funding to cater for pupils with learning difficulties and other disabilities.

Restricted fixed asset funds

Fixed assets transferred on conversion to an Academy represent the leasehold premises, equipment and motor vehicle donated to the Trust by the Borough of Poole.

DfE/ESFA Capital grants include Devolved Formula Capital grants (DFC).

Fund transfers

This transfer includes the spending of restricted fixed asset fund income on general school repair costs which were not capitalised, and a transfer from Restricted Funds to cover capital items purchased during

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

17. STATEMENT OF FUNDS (continued)

the year.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Broadstone First School	97,743	39,708
Broadstone Middle School	490,548	241,016
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	588,291	280,724
Restricted fixed asset fund	16,517,751	16,797,438
Pension reserve	(1,885,000)	(2,023,000)
	<hr/>	<hr/>
Total	15,221,042	15,055,162
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Broadstone First School	965,316	165,573	11,405	238,625	1,380,919	1,235,812
Broadstone Middle School	1,428,134	169,148	23,474	333,132	1,953,888	2,352,023
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,393,450	334,721	34,879	571,757	3,334,807	3,587,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	131,491	205,581	(117,243)	-	-	219,829
Restricted funds						
General Annual Grant (GAG)	15,529	3,035,619	(2,920,493)	(69,760)	-	60,895
Other DFE/ESFA grants	-	188,362	(188,362)	-	-	-
Local authority grants	-	24,966	(24,966)	-	-	-
Capital grants	-	30,426	(30,426)	-	-	-
Other restricted funds	-	71,943	(71,943)	-	-	-
Pension reserve	(2,087,000)	-	(206,000)	-	270,000	(2,023,000)
	<u>(2,071,471)</u>	<u>3,351,316</u>	<u>(3,442,190)</u>	<u>(69,760)</u>	<u>270,000</u>	<u>(1,962,105)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	17,006,086	18,609	(297,017)	69,760	-	16,797,438
Total of funds	<u>15,066,106</u>	<u>3,575,506</u>	<u>(3,856,450)</u>	<u>-</u>	<u>270,000</u>	<u>15,055,162</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	131,491	462,926	(167,354)	-	-	427,063
Restricted funds						
General Annual Grant (GAG)	15,529	5,938,312	(5,721,352)	(71,261)	-	161,228
Other DFE/ESFA grants	-	406,138	(406,138)	-	-	-
Local authority grants	-	61,148	(61,148)	-	-	-
Capital grants	-	42,305	(42,305)	-	-	-
Other restricted funds	-	71,943	(71,943)	-	-	-
Pension reserve	(2,087,000)	-	(424,000)	-	626,000	(1,885,000)
	<u>(2,071,471)</u>	<u>6,519,846</u>	<u>(6,726,886)</u>	<u>(71,261)</u>	<u>626,000</u>	<u>(1,723,772)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	17,006,086	36,852	(596,448)	71,261	-	16,517,751
	<u>14,934,615</u>	<u>6,556,698</u>	<u>(7,323,334)</u>	<u>-</u>	<u>626,000</u>	<u>14,793,979</u>
Total of funds	<u>15,066,106</u>	<u>7,019,624</u>	<u>(7,490,688)</u>	<u>-</u>	<u>626,000</u>	<u>15,221,042</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	16,517,751	16,517,751
Current assets	427,063	379,638	-	806,701
Creditors due within one year	-	(218,410)	-	(218,410)
Provisions for liabilities and charges	-	(1,885,000)	-	(1,885,000)
	<u>427,063</u>	<u>(1,723,772)</u>	<u>16,517,751</u>	<u>15,221,042</u>

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	16,797,438	16,797,438
Current assets	219,829	272,247	-	492,076
Creditors due within one year	-	(211,352)	-	(211,352)
Provisions for liabilities and charges	-	(2,023,000)	-	(2,023,000)
	<u>219,829</u>	<u>(1,962,105)</u>	<u>16,797,438</u>	<u>15,055,162</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(190,120)	(280,944)
Adjustment for:		
Depreciation charges	299,431	297,017
Interest received	(328)	(286)
Decrease in debtors	268	4,763
Increase/(decrease) in creditors	7,057	(48,173)
Defined benefit pension scheme finance cost	218,000	206,000
Net cash provided by operating activities	<u>334,308</u>	<u>178,377</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	701,035	386,142
Total	<u>701,035</u>	<u>386,142</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. CONTINGENT LIABILITIES

In 2006 Broadstone Middle School received a Football Foundation grant of £132,369 towards football pitch drainage and changing rooms at the school.

Upon conversion the grant was transferred to The Castleman Academy Trust.

The grant contained a claw back clause of 21 years, whereby if a number of conditions are not met by the school then it could be clawed back by the Football Foundation.

The trustees have reviewed their lettings policy for the football pitch and are actively marketing it within the local community. The trustees believe the school is complying with the conditions of the grant from the Football Foundation and are satisfied that they will not seek repayment of the grant at present.

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £39,722 were payable to the schemes at 31 August 2018 (2017 - £43,334) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

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22. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £213,746 (2017 - £216,973).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £162,000 (2017 - £157,000), of which employer's contributions totalled £124,000 (2017 - £119,000) and employees' contributions totalled £38,000 (2017 - £38,000). The agreed contribution rates for future years are 18.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	24.0	23.9 years
Females	26.1	26.0 years
Retiring in 20 years		
Males	26.3	26.2 years
Females	28.5	28.3 years

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	887,000	806,000
Gilts	203,000	194,000
Other bonds	112,000	165,000
Property	165,000	129,000
Cash and infrastructure	84,000	103,000
Diversified growth bonds	97,000	63,000
Other assets	75,000	-
Total market value of assets	1,623,000	1,460,000

The actual return on scheme assets was £34,000 (2017 - £178,000).

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

	2018 £	2017 £
Current service cost	(290,000)	(280,000)
Interest income	40,000	28,000
Interest cost	(91,000)	(72,000)
Admin expenses	(1,000)	(1,000)
Total	(342,000)	(325,000)

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

	2018 £	2017 £
Opening defined benefit obligation	3,483,000	3,279,000
Current service cost	290,000	280,000
Interest cost	91,000	72,000
Employee contributions	38,000	38,000
Actuarial gains	(362,000)	(152,000)
Benefits paid	(32,000)	(34,000)
Closing defined benefit obligation	3,508,000	3,483,000

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,460,000	1,192,000
Return on plan assets	40,000	28,000
Actuarial gains/(losses)	(6,000)	118,000
Employer contributions	124,000	119,000
Employee contributions	38,000	38,000
Benefits paid	(32,000)	(34,000)
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,623,000	1,460,000
	<hr/>	<hr/>

23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.