

Registration number: 09101036

Castleman Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

CASTLEMAN ACADEMY TRUST
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CASTLEMAN ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

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| Members | H E Duncan-Jordan Dr M E Grigsby S Magnus S Churchill M Brooke P Tuttle |
| Trustees (Directors) | A Darley H E Duncan-Jordan (resigned 15 July 2021) Dr M E Grigsby, Chair of Trustees A D Hanby J R Heppenstall R Moore, CEO C J Shaw M R Sheldon N D Stebbing |
| Company Secretary | G A McDonald, Director of Governance Operations |
| Senior Management Team | R Moore, CEO R Wood, Head of School (BFS) J Palmer, Head of School (BMS) S Bonham, Estates Manager M Kelly, Chief Financial Officer T Thorne, HR and Operations Manager G McDonald J Bagwell, Headteacher (PFS) D Wilks, Executive Headteacher (BFS, BMS) G Allen, Headteacher (FMS) J Di-Pede, Headteacher (FFS) |
| Principal and Registered Office | Broadstone First School Tudor Road Broadstone Dorset BH18 8AA |
| Company Registration Number | 09101036 |
| Auditors | Albert Goodman Goodwood House Blackbrook Park Avenue Taunton TA1 2PX |

CASTLEMAN ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

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| Bankers | Lloyds Bank Plc Christchurch 4 Castle Street Christchurch Dorset BH23 1DU |
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CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of Castleman Academy Trust (the Trust) for the year ended 31 August 2021. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

Constitution

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

The Trust is constituted under a trust deed dated 24 June 2014, as a Multi-Academy Trust.

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

The principal object of the Trust is 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 schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time education for children of compulsory school age.

Members' liability

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

Trustees' indemnities

The Companies Act 2006 requires disclosure concerning qualifying third party indemnity provisions. Subject to the provisions of the Companies Act 2006 every Trustee or other officer of the Multi Academy Trust shall be indemnified out of the assets of the Multi Academy Trust against any liability incurred by them in that capacity in relation to the affairs of the Multi Academy Trust. The Castleman Academy Trust holds insurance in this regard to the value of £10,000,000.

Method of recruitment and appointment or election of Trustees

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

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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 (e.g. 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 and recommended to Members for appointment.

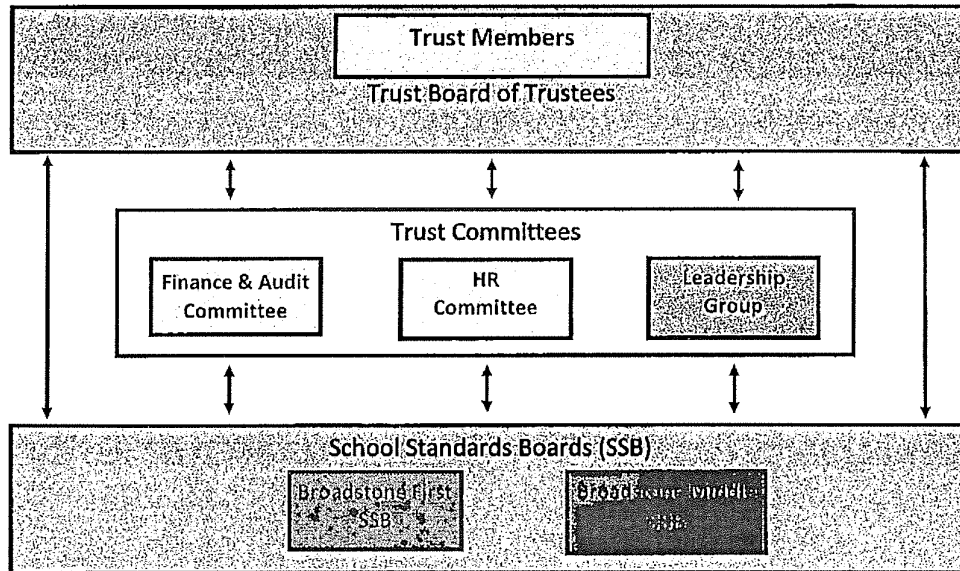
Those who are successful undertake an Induction programme and are provided with a mentor to support them in their roles.

Organisational structure

Until 31st December, 2020 the structure of the Trust was as illustrated in the diagram below.



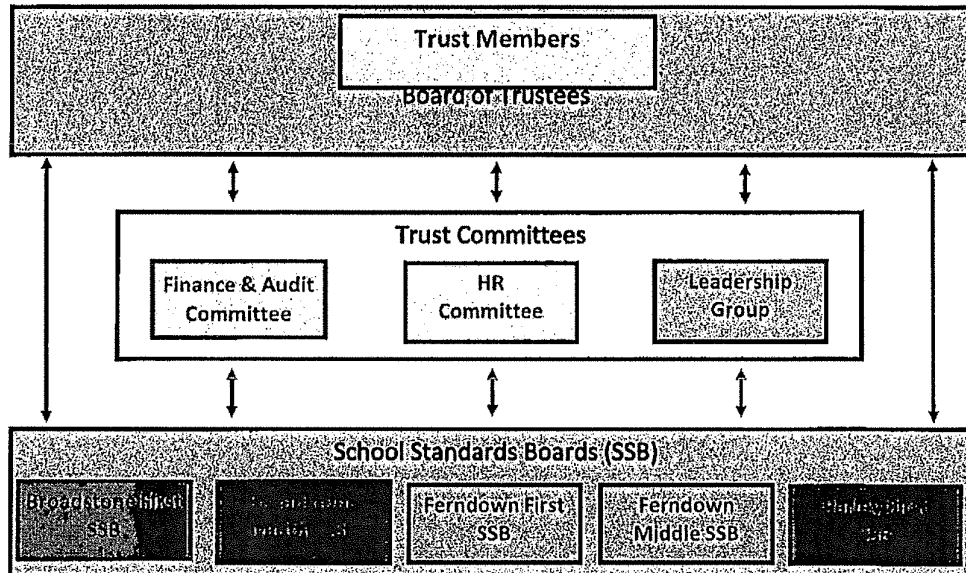
**CASTLEMAN ACADEMY TRUST
GOVERNANCE STRUCTURE UNTIL 31.12.20**



On the 1st January 2021, three schools joined Castleman Academy Trust - Ferndown First School, Ferndown Middle School and Parley First School, bringing the total number of schools in the Trust to five.



CASTLEMAN ACADEMY TRUST GOVERNANCE STRUCTURE FROM 1.1.21



The Trust has defined the responsibilities of each person involved in the administration of Trust and School 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:

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

The Board of Trustees

The Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the Board of Trustees are prescribed in the Master Funding Agreement and respective Supplemental Funding Agreements between the Trust and the DfE and in the Trust'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 Trustees has wide discretion over its use of the Trust'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.

The Trust Finance & Audit Committee is a committee of the Board of Trustees. The Committee meets at least 6 times a year, 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 Trustees and they include:

- Providing guidance and direction for the annual budget process.
- Agreeing a mechanism for accounting for central Trust 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 Trust 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 Trustees meeting.
- Monitor the application of the Pay Policy across the Trust and each of its schools.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

Chief Executive Officer - Accounting Officer

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

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

Much of the responsibility is delegated to the Chief Financial Officer to manage on a day-to-day basis. Additionally, within a framework that comprises the Trust vision, strategic objectives and school improvement plan, approved by the Board of Trustees, 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.

Chief Financial Officer

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

- The day to day management of financial issues including the establishment and operation of a suitable accounting system.
- The management of the Trust financial position at a strategic and operational level within the framework for financial control determined by the Board of Trustees.
- 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 Trust.
- The preparation of monthly management accounts.
- Ensuring forms and returns are sent to the DfE in line with the timetable in the DfE guidance.

Other Staff

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

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).

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

Trustees' indemnities

The Companies Act 2006 requires disclosure concerning qualifying third party indemnity provisions. Subject to the provisions of the Companies Act 2006 every Trustee or other officer of the Multi Academy Trust shall be indemnified out of the assets of the Multi Academy Trust against any liability incurred by them in that capacity in relation to the affairs of the Multi Academy Trust. The Castleman Academy Trust holds Insurance in this regard to the value of £10,000,000.

Arrangements for setting pay and remuneration of key management personnel

Headteachers carry out Performance Management reviews of Senior Leaders in their schools. These are shared with the Chief Executive Officer and moderated to ensure equality across the Trust. At least two Governors, including the Chair of Governors (or their representative), meet to review and agree the recommendations of the Headteachers of each school.

Head Teacher's Performance Reviews are carried out by the Chief Executive Officer and at least two Governors from the school they are responsible for.

The Chief Executive Officer's Performance Review is carried out by two members of the Trust Board and assisted by an external advisor.

The HR Committee meets three times a year. In the Autumn meeting they review the recommendations for teaching staff pay changes (this includes the senior management team) and the recommendations for support staff pay changes.

Objectives and activities

Objects and aims

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.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

Objectives, strategies and activities

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

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.

Key performance indicators

The Trust has outlined its priorities for the year in the Trust Development Plan, the key priorities covering:

1. Develop a curriculum which prepares learners for the future, whilst addressing recovery from COVID disruption, and ensure they make the best possible progress.
2. Embedding and refining procedures and processes related to financial management and governance.
3. Develop CAT sites to ensure learning and working environments comply with Health & Safety regulation, support the work of individual schools and provide inspirational learning environments for learners and adults.
4. Continually look for ways to achieve economies of scale in staffing, procurement and professional services to ensure better value for money and savings that can be redirected to learning.
5. Develop and enhance SEND and Mental Health support and practice across our schools.
6. Ensure the workforce is highly skilled to ensure Trust objectives are met.
7. Securing long term security and stability for the Trust through reputational and offer excellence, thereby increasing pupil numbers and therefore funding. This will enable us to provide greater support to our schools to make them even more successful.
8. Ensure the well-being of staff is considered and supported to ensure their work/life balance, to support staff retention and recruitment.
9. Ensure that Governance at all levels is robust, fit for purpose and well supported.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

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

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

- All Trust schools to have an Ofsted outstanding rating.
- All Trust 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 Trust'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 Trust proactively adds value to member schools Performance Indicators:

- Trust 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).

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 Trust's aims and objectives and in planning its future activities.

Trade union facility time

There were 2 employees who were relevant union officials.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

Achievements and performance

School summary

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| Broadstone First | <p>Commentary: Due to the pandemic external assessments were put on hold. Year 1 phonics screening (which was taken when pupils were in Year 2) 93%. Since September pupils have returned to a more 'normal' routine. A full curriculum offer is in place and we have mapped and retaught some aspects of learning in the curriculum so that pupils, as far as possible, have covered the key knowledge. Pupils are now able to take part in the wider aspects of school life that were previously restricted. School assemblies, before and after school clubs are in place and school trips are once again happening. Pupils are now involved in aspects of the school for their own personal development such as responsibilities as well as our 'University of Broadstone' offer.</p> |
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| Broadstone Middle | <p>Commentary: Due to the pandemic external assessments were put on hold. There is no data to report. Since September pupils have returned to a more 'normal' routine. A full curriculum offer is in place and we have mapped and retaught some aspects of learning in the curriculum so that pupils, as far as possible, have covered the key knowledge. Pupils are now able to take part in the wider aspects of school life that were previously restricted. School assemblies, before and after school clubs are in place and school trips are once again happening. Pupils are now involved in aspects of the school for their own personal development such as responsibilities as well as our 'University of Broadstone' offer.</p> |
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| Ferndown First School | <p>Commentary: The continuing COVID Pandemic meant that end of year statutory assessments were not completed. Therefore, we are unable to provide attainment data for 2020/21 academic year.</p> <p>The school was fully involved in COVID response work which saw learners return to remote learning and an enhanced online provision in Spring 2021, utilising the Tapestry platform we introduced school wide in September 2020. Most children were learning from home until 8th March, except for vulnerable learners and the children of key workers.</p> <p>Once school could re-open, we made it a priority to quickly establish any gaps in pupil learning. This was done using a combination of teacher assessments and NFER assessments to provide a baseline. This information was also used to help us to identify the children who would close any gaps through targeted classroom provision and select others for a block of small group "catch up" tuition, which was delivered by two teachers well known to our children.</p> <p>Pupil progress since returning from the Spring lockdown was carefully reviewed in the Summer term with both current and receiving teachers using end of year informal assessments to support their planning to close gaps in essential knowledge and skills. This will be a continued focus in the new school year, particularly for our youngest children.</p> |
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CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

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| <p>Ferndown Middle School</p> | <p>Commentary: Due to the pandemic, the end of year and key stage assessments did not take place, therefore, we do not have data to publish for 2019 /2020 or comparisons with previous years assessments. During the pandemic the school responded by providing an on line provision for the learners working at home. The vulnerable children, children of key workers together with some SEND children. In line with the government guidelines, the school welcomed year 6 learners back to school in June, alongside the vulnerable and key worker children. The staff worked on a rotation of working from home supporting children who were not in school and working in school to teach the vulnerable, SEN and children of key workers. During the summer staff prepared and adapted the curriculum in order to address the learning needs of the pupils, in preparation for the new school year.</p> |
| <p>Parley First School</p> | <p>Commentary: Even though there was significant disruption to the Academic Year 2020/21 data was collected for children at the end of the year using a range of assessments including past SATs papers for Year 2 children and NFER assessments for Year 1 and 3. The children in Year 4 completed Multiplication Check. The school was pleased that there was an improvement in the attainment in core subjects and particularly for those children working at greater depth. This was a significant Improvement from the previous year. The school was disappointed with the results of the Times tables check and this is priority for Improvement. The School was very pleased with the overall attendance when the children returned to school following the second lockdown with attendance at 98%. The Summer term focus was on identifying gaps in knowledge and planning to teach to cover these gaps and move the children on in September 2021.</p> |

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

Going concern

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

We can be confident that we are a going concern due to:

- A) Government funding is supplied in line with funding formula, ensuring a sustained income.
- B) Our schools have stable numbers and planning shows that this should continue.
- C) The numbers on roll have grown steadily in all Trust Schools.
- D) The Trust is expected to grow, therefore income as well.

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, greater competition for pupils and slow growth are exacerbating effective financial planning.

We have worked hard to attract schools to the Trust to further secure its future. With the addition of three schools, the financial position of the Trust is secure and viable.

Review of activities

- COVID 19 Pandemic response including staff training and site review and refurbishment to ensure greatest level of COVID security possible.
- Development of remote curriculum to secure on-going learning.
- Development of Trust structure, financial plans and governance in preparation for an expanded Trust
- Marketing activities and developing school processes to ensure continued high levels of subscription to schools.
- Rolling programme of site maintenance in place to ensure site is managed effectively, is health and safety compliant and fit for purpose
- Successful bidding for CIF money to carry out major site works
- ICT strategic responsibility in place and developed over the year to ensure value for money and long-term viability of IT resource and delivery
- All positions successfully recruited to for 2021/2022
- Governor training and development
- 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.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

Financial review

Impact of COVID-19 for the year 2020/2021

Effective virus control measures were put in place in Trust Schools and monitored by SLT, Trust Board and Local Authority advisers to ensure best practice. Infection rates were minimal and those cases reported were found to have originated outside of school. Risk Assessments have been regularly reviewed and shared with staff, SSBs and Trust Board members. This work continues.

Whilst the costs of related COVID expenses have been considered when budgeting and planning for the future, to date there has been no impact on reserves.

Schools returned to face to face operation and where isolations occurred, online learning was provided to mitigate low progress. Financial operations returned to onsite provision but we now take advantage of the online working developed to secure more time to devote to the role and duties. For example, online team meetings occur regularly, ensuring communication and support levels are appropriate and timely. The CEO has carried out the various checks and visits required using a hybrid approach of both face to face and remote activity.

Governance operations have returned to onsite methods however, remote provision has been enhanced so that attendance at meetings is easier where Governors or Trustees may not be able to be present due to work commitments or COVID related isolation. This means that meetings are not cancelled as we can ensure they are quorate through our use of remote support. Communications have been enhanced with the provision of a number of online platforms. All relevant monitoring, evaluation and scrutiny with regard to governance continued as per the governance planner.

The Trust believes it has addressed the demands of the pandemic response in a thorough, well planned and well communicated way. It continues to monitor the situation and regularly meets with SLT, School Standards Boards and staff to address any issues arising.

Investment policy

Investments will be made only in accordance with written procedures approved by the Board of Trustees. At present, all funds held by the Trust as at the 31 August 2021 were in an interest-bearing account with Lloyds Banking Group.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

Reserves policy

The Trust has developed a Reserves Policy to ensure the stability of its 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 Trustees.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

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.

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.

Principal risks and uncertainties

The Board acknowledges that our future success is inextricably linked to the performance of each of our 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 Trustees, 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.

Financial and risk management objectives and policies

The Board of Trustees approved an overall Academy budget for the period 1st September 2020 to 31st August 2021. During this period, our total General Annual Grant was £6,673,038. For this period:

- The Academy predicted a total income of £6,602,000 and we received £6,673,000.
- The Academy predicted staffing costs at £6,849,000 and we actually spent £6,827,000.
- The Academy predicted total revenue expenditure at £1,537,000 and we actually spent £1,345,000.

In summary, the Board of Trustees are pleased with the financial performance during a period where the Trust has continued to establish itself and realise changes that have resulted in improved academic standards and operating efficiency. The financial structure of the Trust has been reviewed this year, specifically financial delegation and staffing structures.

Principle funding

The Trusts funding is from the DfE.

CASTLEMAN ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

STRATEGIC REPORT

Fundraising

The Trust's schools 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.

Due to the COVID pandemic, very little fundraising activity has taken place this year.

Plans for future periods

As per our Business Plan, we remain focussed on:

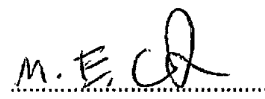
1. Continuous School Improvement and Effectiveness. We aim to ensure that schools within the Trust are judged, at least, as "Good" by OfSTED and strive to work towards an "Outstanding" rating where ever possible.
2. Securing growth of the Trust by developing formal partnerships with schools in our local 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.

Auditor

Insofar as the management of Castleman Academy Trust, being 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 auditor is unaware; and
- that the management of Castleman Academy Trust, being the responsibility of the 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 members of the Governing Body on 31/12/21 and signed on its behalf by:


.....
Dr M E Grigsby
Trustee

CASTLEMAN ACADEMY TRUST
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 Governing Body has delegated the day-to-day responsibility to R Moore, CEO, 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 Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 7 times during the year.

The Articles of Association of Castleman Academy Trust ensure that Trustees are appointed according to relative skills required to support the successful running of the Trust rather than by school representation. This also moves the governance segregation between Members, Trustees and Governors towards the recommended structure set out by the DfE where instances of cross-over should be minimised.

Due to the COVID pandemic, most meetings have been hosted via online platforms. This will continue until Government guidance changes with regard to social distancing.

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

| Trustee | Meetings attended | Out of a possible |
|-------------------|--------------------------|--------------------------|
| H E Duncan-Jordan | 2 | 7 |
| R Moore | 7 | 7 |
| A D Hanby | 6 | 7 |
| J R Heppenstall | 5 | 7 |
| N D Stebbing | 7 | 7 |
| Dr M E Grigsby | 7 | 7 |
| C J Shaw | 6 | 7 |
| A Darley | 5 | 7 |
| M R Sheldon | 7 | 7 |

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is outlined in the Academy Trust Handbook. Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| R Moore | 7 | 7 |
| N D Stebbing | 5 | 7 |
| Dr M E Grigsby | 7 | 7 |
| C J Shaw | 6 | 7 |
| A Darley | 5 | 7 |

CASTLEMAN ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Following the rules and regulations set down in the Academies Trust 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 Local Authority representatives)
- Meet with 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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castleman Academy Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Unfortunately, due to the COVID pandemic, a planned RO visit was not able to take place. We also commissioned a School Resource Management Advisor from the DfE to visit and provide feedback. This visit was also postponed due to the pandemic. This was rescheduled for later in the year, and took place in July 2021.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

CASTLEMAN ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Trust believes that risk should be monitored by an independent body, namely the "Responsible Officer".

In line with the DfE's expectations of a Responsible Officer, their role will include giving advice on financial matters and performing a range of checks on the academy trust's financial systems, in areas defined by the Trust Board. The particular checks carried out are outlined in the Responsible Officer's report, presented to the Trust Board, once or twice a year, at trustees' discretion.

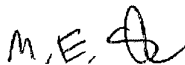
Review of effectiveness

As Accounting Officer, R Moore, CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

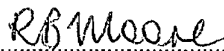
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 8/12/21 and signed on its behalf by:



.....
Dr M E Grigsby
Trustee



.....
R Moore
Trustee


CASTLEMAN ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Castleman Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and 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 2020.

I confirm that I and the academy trust Governing Body 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 2020.

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 Governing Body and ESFA.


.....
R Moore, CEO
Accounting officer

Date: 13.12.2021.....

CASTLEMAN ACADEMY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

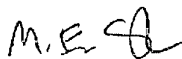
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 on ..8/12/21..... and signed on its behalf by:



.....
Dr M E Grigsby
Trustee

CASTLEMAN ACADEMY TRUST

**INDEPENDENT AUDITOR'S 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 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 auditor's 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.

CASTLEMAN ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CASTLEMAN ACADEMY TRUST (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 22], the Trustees 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.

Auditor's responsibilities for the audit of the financial statements

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

CASTLEMAN ACADEMY TRUST

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CASTLEMAN ACADEMY TRUST (CONTINUED)**

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including the Companies Act 2006, Academies Accounts Direction 2020 to 2021, Charities SORP 2019, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

CASTLEMAN ACADEMY TRUST

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CASTLEMAN ACADEMY TRUST (CONTINUED)**

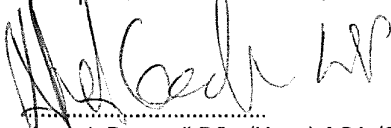
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

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



Joseph Doggrell BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 15/12/2021

CASTLEMAN ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 to 31 August 2021 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 may 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 the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body' funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. 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 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CASTLEMAN ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2020);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

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 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Doggrell BSc (Hons) ACA
For and on behalf of Albert Goodman, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 15/10/2021

CASTLEMAN ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2020/21 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 25,039 | - | 70,769 | 95,808 |
| Transfer from local authority on conversion | 29 | 854,409 | (2,910,000) | 20,880,500 | 18,824,909 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | 43,926 | 8,471,030 | - | 8,514,956 |
| Teaching schools | | 124,723 | 40,000 | - | 164,723 |
| Other trading activities | 4 | 77,887 | - | - | 77,887 |
| Investments | 5 | 132 | - | - | 132 |
| Total | | 1,126,116 | 5,601,030 | 20,951,269 | 27,678,415 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 158,349 | 8,502,828 | 336,967 | 8,998,144 |
| Teaching schools | 28 | 98,162 | 40,000 | - | 138,162 |
| Net income/(expenditure) | | 869,605 | (2,941,798) | 20,614,302 | 18,542,109 |
| Transfers between funds | | - | (233,254) | 233,254 | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | (484,000) | - | (484,000) |
| Net movement in funds/(deficit) | | 869,605 | (3,659,052) | 20,847,556 | 18,058,109 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2020 | | 651,346 | (2,980,138) | 16,756,830 | 14,428,038 |
| Total funds/(deficit) carried forward at 31 August 2021 | | 1,520,951 | (6,639,190) | 37,604,386 | 32,486,147 |

CASTLEMAN ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

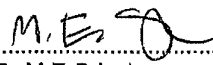
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2019/20 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | 18,937 | 3,835 | 597,546 | 620,318 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | 65,210 | 3,434,419 | - | 3,499,629 |
| Teaching schools | | 61,463 | 43,000 | - | 104,463 |
| Other trading activities | 4 | 38,945 | - | - | 38,945 |
| Investments | 5 | 414 | - | - | 414 |
| Total | | 184,969 | 3,481,254 | 597,546 | 4,263,769 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 113,302 | 3,714,484 | 320,933 | 4,148,719 |
| Teaching schools | 28 | 18,002 | 19,800 | - | 37,802 |
| Net income/(expenditure) | | 53,665 | (253,030) | 276,613 | 77,248 |
| Transfers between funds | | 23,200 | (23,200) | - | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | (445,000) | - | (445,000) |
| Net movement in funds/(deficit) | | 76,865 | (721,230) | 276,613 | (367,752) |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2019 | | 574,481 | (2,258,908) | 16,480,217 | 14,795,790 |
| Total funds/(deficit) carried forward at 31 August 2020 | | 651,346 | (2,980,138) | 16,756,830 | 14,428,038 |

CASTLEMAN ACADEMY TRUST
(REGISTRATION NUMBER: 09101036)
BALANCE SHEET AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 37,685,355 | 16,730,171 |
| Current assets | | | |
| Debtors | 13 | 334,945 | 722,515 |
| Cash at bank and in hand | | <u>2,303,682</u> | <u>780,107</u> |
| | | 2,638,627 | 1,502,622 |
| Creditors: Amounts falling due within one year | 14 | <u>(659,024)</u> | <u>(698,375)</u> |
| Net current assets | | <u>1,979,603</u> | <u>804,247</u> |
| Total assets less current liabilities | | 39,664,958 | 17,534,418 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(80,811)</u> | <u>(29,380)</u> |
| Net assets excluding pension liability | | 39,584,147 | 17,505,038 |
| Pension scheme liability | 26 | <u>(7,098,000)</u> | <u>(3,077,000)</u> |
| Net assets including pension liability | | <u>32,486,147</u> | <u>14,428,038</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | (6,639,190) | (2,980,138) |
| Restricted fixed asset fund | | <u>37,604,386</u> | <u>16,756,830</u> |
| | | 30,965,196 | 13,776,692 |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>1,520,951</u> | <u>651,346</u> |
| Total funds | | <u>32,486,147</u> | <u>14,428,038</u> |

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 8/12/21 and signed on their behalf by:



 Dr M E Grigsby
 Trustee

CASTLEMAN ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 20 | 1,822,416 | (277,705) |
| Cash flows from investing activities | 22 | (357,384) | 27,073 |
| Cash flows from financing activities | 21 | <u>58,543</u> | <u>-</u> |
| Change in cash and cash equivalents in the year | | 1,523,575 | (250,632) |
| Cash and cash equivalents at 1 September | | <u>780,107</u> | <u>1,030,739</u> |
| Cash and cash equivalents at 31 August | 23 | <u><u>2,303,682</u></u> | <u><u>780,107</u></u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

Basis of preparation

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company 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.

Income

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

Grants

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

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

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

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

1 Accounting policies (continued)

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

1 Accounting policies (continued)

Charitable activities

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

Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

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

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

| Asset class | Depreciation method and rate |
|-----------------------------------|-------------------------------------|
| Long leasehold land and buildings | over 125 years |
| Furniture and equipment | 10% straight line |
| Motor vehicles | 25% straight line |
| Computer equipment | 33.33% straight line |

Liabilities

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

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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.

Critical accounting estimates and areas of judgement

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

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

1 Accounting policies (continued)

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 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 2021. 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 Donations and capital grants

| | Unrestricted funds £ | Restricted fixed asset funds £ | 2020/21 Total £ | 2019/20 Total £ |
|-------------------------------|-------------------------------------|---|--------------------------------|--------------------------------|
| Other voluntary income | | | | |
| Capital grants DfE/ESFA | - | 54,135 | 54,135 | 597,546 |
| Other donations | 25,039 | 16,634 | 41,673 | 22,772 |
| | <u>25,039</u> | <u>70,769</u> | <u>95,808</u> | <u>620,318</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2020/21 Total £ | 2019/20 Total £ |
|---|----------------------------|--------------------------|-----------------------|-----------------------|
| DfE/ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 6,673,038 | 6,673,038 | 3,002,817 |
| Other DfE/ESFA grants | - | 516,975 | 516,975 | 181,518 |
| Local Authority Grants | - | 549,114 | 549,114 | 39,736 |
| Pupil Premium | - | 349,311 | 349,311 | 130,812 |
| UIFSM | - | 149,745 | 149,745 | 56,592 |
| | - | 8,238,183 | 8,238,183 | 3,411,475 |
| Other government grants | | | | |
| Catch up premium | - | 232,848 | 232,848 | - |
| Covid-19 exceptional support | - | - | - | 22,944 |
| | - | 232,848 | 232,848 | 22,944 |
| Non-government grants and other income | | | | |
| Kids Club | 32,350 | - | 32,350 | 16,477 |
| Trip Income | 10,698 | - | 10,698 | 48,477 |
| Other Income | 878 | - | 878 | 256 |
| | 43,926 | - | 43,926 | 65,210 |
| Total grants | 43,926 | 8,471,031 | 8,514,957 | 3,499,629 |

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The catch up premium income, associated expenditure and carried forward balance to be spent in 2021-22 is detailed in the Funds note.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

4 Other trading activities

| | Unrestricted funds £ | 2020/21 Total £ | 2019/20 Total £ |
|--------------------------------|----------------------------|-----------------------|-----------------------|
| Facilities and services income | 25,667 | 25,667 | 16,322 |
| Catering income | 6,597 | 6,597 | 4,631 |
| Other income | 32,807 | 32,807 | 7,037 |
| Lettings | 12,816 | 12,816 | 10,955 |
| | <u>77,887</u> | <u>77,887</u> | <u>38,945</u> |

5 Investment income

| | Unrestricted funds £ | 2020/21 Total £ | 2019/20 Total £ |
|---------------------|----------------------------|-----------------------|-----------------------|
| Short term deposits | 132 | 132 | 414 |

6 Expenditure

| | Non Pay Expenditure | | | 2021 | 2020 |
|---|---------------------|----------------|------------------|------------------|------------------|
| | Staff costs £ | Premises £ | Other costs £ | Total £ | Total £ |
| Academy's educational operations | | | | | |
| Direct costs | 6,261,503 | 87,363 | 330,715 | 6,679,581 | 3,066,830 |
| Allocated support costs | 1,172,737 | 619,361 | 526,465 | 2,318,563 | 1,081,889 |
| Teaching School | - | - | 138,162 | 138,162 | 37,802 |
| | <u>7,434,240</u> | <u>706,724</u> | <u>995,342</u> | <u>9,136,306</u> | <u>4,186,521</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

| | 2020/21 | 2019/20 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Depreciation | 336,967 | 320,933 |
| Fees payable to auditor - audit | 8,250 | 6,000 |
| - other audit services | <u>2,750</u> | <u>2,670</u> |

7 Charitable activities

| | 2020/21 | 2019/20 |
|--|------------------|------------------|
| | £ | £ |
| Direct costs - educational operations | 6,679,581 | 3,066,830 |
| Support costs - educational operations | <u>2,318,563</u> | <u>1,081,889</u> |
| | <u>8,998,144</u> | <u>4,148,719</u> |

| | Educational operations £ | 2020/21 Total £ | 2019/20 Total £ |
|--|---|--------------------------------|--------------------------------|
| Analysis of direct costs | | | |
| Teaching and educational support staff costs | 6,261,503 | 6,261,503 | 2,818,886 |
| Energy Costs | 87,363 | 87,363 | 42,405 |
| Educational supplies | 111,175 | 111,175 | 38,393 |
| Staff development | 31,202 | 31,202 | 10,811 |
| Educational consultancy | 40,846 | 40,846 | 45,335 |
| Other direct costs | 6,007 | 6,007 | 3,977 |
| Technology costs | 126,737 | 126,737 | 51,299 |
| Trip costs | <u>14,748</u> | <u>14,748</u> | <u>55,724</u> |
| Total direct costs | <u>6,679,581</u> | <u>6,679,581</u> | <u>3,066,830</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

7 Charitable activities (continued)

| | Educational operations £ | 2020/21 Total £ | 2019/20 Total £ |
|---------------------------------------|--------------------------------|-----------------------|-----------------------|
| Analysis of support costs | | | |
| Support staff costs | 1,172,737 | 1,172,737 | 472,775 |
| Depreciation | 336,967 | 336,967 | 320,933 |
| Recruitment and support | 2,555 | 2,555 | 5,272 |
| Rent, rates and utilities | 68,834 | 68,834 | 32,325 |
| Insurance | 30,622 | 30,622 | 15,280 |
| Catering | 162,074 | 162,074 | 56,077 |
| Maintenance of premises and equipment | 107,309 | 107,309 | 16,225 |
| Cleaning | 106,251 | 106,251 | 79,286 |
| Professional fees | 155,852 | 155,852 | 33,417 |
| Other support costs | 174,514 | 174,514 | 50,299 |
| Governance costs | 848 | 848 | - |
| Total support costs | <u>2,318,563</u> | <u>2,318,563</u> | <u>1,081,889</u> |

8 Staff

Staff costs

| | 2020/21 £ | 2019/20 £ |
|--|------------------|------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 5,105,331 | 2,304,812 |
| Social security costs | 453,081 | 204,884 |
| Operating costs of defined benefit pension schemes | <u>1,780,188</u> | <u>720,194</u> |
| | 7,338,600 | 3,229,890 |
| Supply staff costs | 57,946 | 61,771 |
| Staff restructuring costs | <u>37,694</u> | - |
| | <u>7,434,240</u> | <u>3,291,661</u> |
| | | 2021 £ |
| Staff restructuring costs comprise: | | |
| Severance payments | | <u>37,694</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

8 Staff (continued)

Staff numbers

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

| | 2021 | 2020 |
|------------------------------|-------------------|-------------------|
| | No | No |
| Charitable Activities | | |
| Teachers | 111 | 43 |
| Administration and support | 170 | 64 |
| Management | <u>7</u> | <u>11</u> |
| | <u><u>288</u></u> | <u><u>118</u></u> |

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

| | 2021 | 2020 |
|-------------------|-------------|-------------|
| | No | No |
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | <u>1</u> | <u>-</u> |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £616,074 (2020: £610,328).

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

9 Central services

The academy trust charges for these services on the following basis:

- The costs for a number of finance and administrative staff, as well as members of the leadership team, are allocated to the academy trust
- Various costs associated with the running of the academy trust, including payroll, marketing, non educational IT and premises costs.

The academy charges for these services on the following basis:

Cost allocation is based on actual costs incurred, split between the schools on a 5:1 basis (2020 - 2:1 basis).

The actual amounts charged during the year were as follows:

| | 2021/20 | 2020/19 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Broadstone First School | 33,750 | 252,383 |
| Broadstone Middle School | 66,177 | 504,766 |
| Ferndown First School | 25,543 | - |
| Ferndown Middle School | 49,217 | - |
| Parley First School | 23,370 | - |
| | <u>198,057</u> | <u>757,149</u> |

10 Related party transactions - trustees' remuneration and expenses

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

R Moore (CEO):

Remuneration: £55,000 - £60,000 (2020 - £35,000 - £40,000)

Employer's pension contributions: £10,000 - £15,000 (2020 - £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 27.

11 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.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

12 Tangible fixed assets

| | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|-------------------------|---|------------------------------------|----------------------------|------------------------|-------------------|
| Cost | | | | | |
| At 1 September 2020 | 16,599,472 | 1,906,348 | 19,637 | 2,000 | 18,527,457 |
| Additions | 121,286 | 188,128 | 102,237 | - | 411,651 |
| Transfers on conversion | 20,843,000 | 37,500 | - | - | 20,880,500 |
| Transfers | 58,940 | (58,940) | - | - | - |
| At 31 August 2021 | <u>37,622,698</u> | <u>2,073,036</u> | <u>121,874</u> | <u>2,000</u> | <u>39,819,608</u> |
| Depreciation | | | | | |
| At 1 September 2020 | 767,148 | 1,023,102 | 5,036 | 2,000 | 1,797,286 |
| Charge for the year | 132,252 | 198,760 | 5,955 | - | 336,967 |
| Transfers | 6,360 | (6,360) | - | - | - |
| At 31 August 2021 | <u>905,760</u> | <u>1,215,502</u> | <u>10,991</u> | <u>2,000</u> | <u>2,134,253</u> |
| Net book value | | | | | |
| At 31 August 2021 | <u>36,716,938</u> | <u>857,534</u> | <u>110,883</u> | <u>-</u> | <u>37,685,355</u> |
| At 31 August 2020 | <u>15,832,324</u> | <u>883,246</u> | <u>14,601</u> | <u>-</u> | <u>16,730,171</u> |

13 Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 35,951 | 139,817 |
| VAT recoverable | 52,455 | 39,795 |
| Prepayments and accrued income | 246,539 | 542,903 |
| | <u>334,945</u> | <u>722,515</u> |

CASTLEMAN ACADEMY TRUST
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
 (CONTINUED)

14 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 163,442 | 215,589 |
| Other taxation and social security | 129,952 | 49,496 |
| Salix loans | 10,852 | 3,740 |
| Other creditors | 161,307 | 75,983 |
| Accruals and deferred income | 193,471 | 353,567 |
| | <u>659,024</u> | <u>698,375</u> |

| | 2021 £ | 2020 £ |
|--|------------------|-----------------|
| Deferred income | | |
| Deferred income at 1 September 2020 | 153,961 | 69,286 |
| Resources deferred in the period | 146,445 | 153,961 |
| Amounts released from previous periods | <u>(153,961)</u> | <u>(69,286)</u> |
| Deferred income at 31 August 2021 | <u>146,445</u> | <u>153,961</u> |

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Rates Relief and trips taking place in the 2021-22 academic year.

15 Creditors: amounts falling due after one year

| | 2021 £ | 2020 £ |
|-------|---------------|---------------|
| Loans | <u>80,811</u> | <u>29,380</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

16 Funds

| | Balance at 1 September 2020 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|---|----------------------------|----------------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 96,862 | 6,673,039 | (6,162,543) | (233,254) | 374,104 |
| Other DfE/ESFA grants | - | 426,204 | (426,204) | - | - |
| Covid-19 support grant | - | 232,848 | (226,175) | - | 6,673 |
| Local authority grants | - | 547,813 | (547,813) | - | - |
| Teaching School | - | 40,000 | (40,000) | - | - |
| Pension reserve | (3,077,000) | (2,910,000) | (627,000) | (484,000) | (7,098,000) |
| Pupil Premium | - | 349,311 | (342,838) | - | 6,473 |
| PE Grant | - | 92,070 | (20,510) | - | 71,560 |
| UIFSM | - | 149,745 | (149,745) | - | - |
| | <u>(2,980,138)</u> | <u>5,601,030</u> | <u>(8,542,828)</u> | <u>(717,254)</u> | <u>(6,639,190)</u> |
| Restricted fixed asset funds | | | | | |
| Fixed Asset Funds | <u>16,756,830</u> | <u>20,951,269</u> | <u>(336,967)</u> | <u>233,254</u> | <u>37,604,386</u> |
| Total restricted funds | <u>13,776,692</u> | <u>26,552,299</u> | <u>(8,879,795)</u> | <u>(484,000)</u> | <u>30,965,196</u> |
| Unrestricted funds | | | | | |
| General | 575,059 | 1,001,393 | (158,349) | - | 1,418,103 |
| Teaching School | <u>76,287</u> | <u>124,723</u> | <u>(98,162)</u> | <u>-</u> | <u>102,848</u> |
| Total unrestricted funds | <u>651,346</u> | <u>1,126,116</u> | <u>(256,511)</u> | <u>-</u> | <u>1,520,951</u> |
| Total funds | <u>14,428,038</u> | <u>27,678,415</u> | <u>(9,136,306)</u> | <u>(484,000)</u> | <u>32,486,147</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

16 Funds (continued)

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

| | Balance at 1 September 2019 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2020 £ |
|-------------------------------------|---|----------------------------|----------------------------|---|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 147,092 | 3,002,817 | (3,053,047) | - | 96,862 |
| Local Authority Grant | - | 39,737 | (39,737) | - | - |
| Other DfE/ESFA grants | - | 181,517 | (181,517) | - | - |
| Covid-19 support grant | - | 22,944 | (22,944) | - | - |
| Local authority grants | - | 3,835 | (3,835) | - | - |
| Teaching School | - | 43,000 | (19,800) | (23,200) | - |
| Pension reserve | (2,406,000) | - | (226,000) | (445,000) | (3,077,000) |
| Pupil Premium | - | 130,812 | (130,812) | - | - |
| UIFSM | - | 56,592 | (56,592) | - | - |
| | <u>(2,258,908)</u> | <u>3,481,254</u> | <u>(3,734,284)</u> | <u>(468,200)</u> | <u>(2,980,138)</u> |
| Restricted fixed asset funds | | | | | |
| Fixed Asset Funds | 16,480,217 | 597,546 | (320,933) | - | 16,756,830 |
| Total restricted funds | <u>14,221,309</u> | <u>4,078,800</u> | <u>(4,055,217)</u> | <u>(468,200)</u> | <u>13,776,692</u> |
| Unrestricted funds | | | | | |
| General | 487,358 | 123,506 | (113,302) | 77,497 | 575,059 |
| Teaching School | 87,123 | 61,463 | (18,002) | (54,297) | 76,287 |
| Total unrestricted funds | <u>574,481</u> | <u>184,969</u> | <u>(131,304)</u> | <u>23,200</u> | <u>651,346</u> |
| Total funds | <u>14,795,790</u> | <u>4,263,769</u> | <u>(4,186,521)</u> | <u>(445,000)</u> | <u>14,428,038</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

16 Funds (continued)

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.

General Annual Grant (GAG) – Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

UIFSM - This represents funding received from the ESFA for the provision of school dinners to all reception and key stage one pupils.

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

Pension Reserve – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

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 the year.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

| | 2021 | 2020 |
|---|--------------------------|--------------------------|
| | £ | £ |
| Broadstone First School | 80,685 | 101,865 |
| Broadstone Middle School | 795,569 | 570,056 |
| Ferndown First School | 279,179 | - |
| Ferndown Middle School | 437,614 | - |
| Parley First School | 333,930 | - |
| Central services | <u>52,784</u> | <u>76,287</u> |
| Total before fixed assets and pension reserve | 1,979,761 | 748,208 |
| Restricted fixed asset funds | 37,604,386 | 16,756,830 |
| Pension reserve | <u>(7,098,000)</u> | <u>(3,077,000)</u> |
| Total | <u><u>32,486,147</u></u> | <u><u>14,428,038</u></u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

16 Funds (continued)

Total cost analysis by academy

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

| | Teaching and Educational Support Staff Costs £ | Other Support Staff Costs £ | Educational Supplies £ | Other Costs (excluding Depreciation) £ | Total 2021 £ |
|--------------------------|---|--------------------------------------|------------------------------|---|-----------------------------|
| Broadstone First School | 805,285 | 224,045 | 32,221 | 183,636 | 1,245,187 |
| Broadstone Middle School | 1,928,548 | 330,880 | 30,635 | 305,819 | 2,595,882 |
| Ferndown First School | 764,599 | 124,123 | 15,845 | 125,462 | 1,030,029 |
| Ferndown Middle School | 1,421,527 | 124,123 | 15,845 | 125,462 | 1,686,957 |
| Parley First School | 750,583 | 96,595 | - | 145,490 | 992,668 |
| Teaching School | 76,713 | - | - | 61,449 | 138,162 |
| Central services | 77,338 | 84,039 | 848 | 216,708 | 378,933 |
| Academy Trust | <u>5,824,593</u> | <u>983,805</u> | <u>95,394</u> | <u>1,164,026</u> | <u>8,067,818</u> |
| | | | | | Total 2020 £ |
| Broadstone First School | | | | | 1,450,252 |
| Broadstone Middle School | | | | | 2,377,534 |
| Ferndown First School | | | | | - |
| Ferndown Middle School | | | | | - |
| Parley First School | | | | | - |
| Teaching School | | | | | 37,802 |
| Central services | | | | | - |
| Academy Trust | | | | | <u>3,865,588</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|-------------------------------------|---|---|--------------------------|
| Tangible fixed assets | - | - | 37,685,355 | 37,685,355 |
| Current assets | 1,520,951 | 1,106,982 | 10,694 | 2,638,627 |
| Current liabilities | - | (648,172) | (10,852) | (659,024) |
| Creditors over 1 year | - | - | (80,811) | (80,811) |
| Pension scheme liability | - | (7,098,000) | - | (7,098,000) |
| Total net assets | <u>1,520,951</u> | <u>(6,639,190)</u> | <u>37,604,386</u> | <u>32,486,147</u> |

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

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------|-------------------------------------|---|---|--------------------------|
| Tangible fixed assets | - | - | 16,730,171 | 16,730,171 |
| Current assets | 651,346 | 824,617 | 26,659 | 1,502,622 |
| Current liabilities | - | (698,375) | - | (698,375) |
| Creditors over 1 year | - | (29,380) | - | (29,380) |
| Pension scheme liability | - | (3,077,000) | - | (3,077,000) |
| Total net assets | <u>651,346</u> | <u>(2,980,138)</u> | <u>16,756,830</u> | <u>14,428,038</u> |

18 Capital commitments

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Contracted for, but not provided in the financial statements | <u>90,511</u> | <u>95,805</u> |

CASTLEMAN ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

19 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2021 | 2020 |
|--|-------------|--------------|
| | £ | £ |
| Amounts due within one year | 890 | 3,562 |
| Amounts due between one and five years | - | 890 |
| | <u>890</u> | <u>4,452</u> |

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Net income | 18,542,109 | 77,248 |
| Depreciation | 336,967 | 320,933 |
| Capital grants from DfE and other capital income | (20,983,376) | (597,546) |
| Interest receivable | (132) | (414) |
| Defined benefit pension scheme finance cost | 3,892,000 | 226,000 |
| Actuarial loss | 484,000 | - |
| Decrease/(increase) in debtors | 387,570 | (515,432) |
| Increase in creditors | 12,080 | 211,506 |
| Cash transferred on conversion to an academy trust | 5,607 | - |
| Funds transferred on conversion to academy trust | (854,409) | - |
| Net cash provided by/(used in) Operating Activities | <u>1,822,416</u> | <u>(277,705)</u> |

21 Cash flows from financing activities

| | 2021 |
|---|---------------|
| | £ |
| Repayments of borrowing | (3,674) |
| Cash inflows from new borrowing | <u>62,217</u> |
| Net cash provided by financing activities | <u>58,543</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

22 Cash flows from investing activities

| | 2021 | 2020 |
|---|------------------|---------------|
| | £ | £ |
| Dividends, interest and rents from investments | 132 | 414 |
| Purchase of tangible fixed assets | (411,651) | (570,887) |
| Capital funding received from sponsors and others | 54,135 | 597,546 |
| Net cash (used in)/provided by investing activities | <u>(357,384)</u> | <u>27,073</u> |

23 Analysis of cash and cash equivalents

| | 2021 | 2020 |
|---------------------------------|------------------|----------------|
| | £ | £ |
| Cash in hand and at bank | <u>2,303,682</u> | <u>780,107</u> |
| Total cash and cash equivalents | <u>2,303,682</u> | <u>780,107</u> |

24 Analysis of changes in net debt

| | At 1 September 2020 | Cash flows | At 31 August 2021 |
|--|---------------------------|------------------|-------------------------|
| | £ | £ | £ |
| Cash | 780,107 | 1,523,575 | 2,303,682 |
| Loans falling due within one year | (3,740) | (7,112) | (10,852) |
| Loans falling due after more than one year | <u>(29,380)</u> | <u>(51,431)</u> | <u>(80,811)</u> |
| | <u>(33,120)</u> | <u>(58,543)</u> | <u>(91,663)</u> |
| Total | <u>746,987</u> | <u>1,465,032</u> | <u>2,212,019</u> |

25 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.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

26 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

Contributions amounting to £161,307 (2020: £106,873) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £798,188 (2020: £349,614). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

CASTLEMAN ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021****(CONTINUED)****26 Pension and similar obligations (continued)**

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £454,000 (2020 - £182,000), of which employer's contributions totalled £355,000 (2020 - £140,000) and employees' contributions totalled £99,000 (2020 - £42,000). The agreed contribution rates for future years are 21 per cent for employers and 5.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

| | 2021 | 2020 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.90 | 3.30 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.30 |
| Discount rate for scheme liabilities | 1.70 | 1.60 |
| Inflation assumptions (CPI) | 2.90 | 2.30 |
| RPI increases | <u>3.20</u> | <u>3.10</u> |

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

| | 2021 | 2020 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 23.10 | 23.30 |
| Females retiring today | 24.60 | 24.80 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 24.40 | 24.70 |
| Females retiring in 20 years | <u>26.10</u> | <u>26.20</u> |

Sensitivity analysis

| | 2021 |
|--|-------------------|
| | £ |
| Discount rate +0.1% | 11,668,000 |
| Discount rate -0.1% | 12,237,000 |
| Mortality assumption – 1 year increase | 12,431,000 |
| Mortality assumption – 1 year decrease | <u>11,486,000</u> |

CASTLEMAN ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

26 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

| | 2021 £ | 2020 £ |
|------------------------------|------------------|------------------|
| Equities | 2,659,000 | 987,000 |
| Gilts | 572,000 | 231,000 |
| Other bonds | 269,000 | 162,000 |
| Property | 425,000 | 190,000 |
| Cash and other liquid assets | 77,000 | 20,000 |
| Multi asset credit | 228,000 | 87,000 |
| Diversified growth fund | 322,000 | 110,000 |
| Infrastructure | 299,000 | 130,000 |
| Total market value of assets | <u>4,851,000</u> | <u>1,917,000</u> |

The actual return on scheme assets was £676,000 (2020 - (£147,000)).

Amounts recognised in the statement of financial activities

| | 2021 £ | 2020 £ |
|---|--------------------|------------------|
| Current service cost | (3,812,000) | (322,000) |
| Interest income | 53,000 | 37,000 |
| Interest cost | (131,000) | (80,000) |
| Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement | - | 140,000 |
| Admin expenses | (2,000) | (1,000) |
| Total amount recognized in the SOFA | <u>(3,892,000)</u> | <u>(226,000)</u> |

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

| | 2021 £ | 2020 £ |
|------------------------------|-------------------|------------------|
| At start of period | 4,994,000 | 4,337,000 |
| Conversion of academy trusts | 4,739,000 | - |
| Current service cost | 902,000 | 322,000 |
| Interest cost | 131,000 | 80,000 |
| Employee contributions | 99,000 | 42,000 |
| Actuarial (gain)/loss | 1,107,000 | 261,000 |
| Benefits paid | (23,000) | (48,000) |
| At 31 August | <u>11,949,000</u> | <u>4,994,000</u> |

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

26 Pension and similar obligations (continued)

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

| | 2021 | 2020 |
|------------------------------|-------------------------|-------------------------|
| | £ | £ |
| At start of period | 1,917,000 | 1,931,000 |
| Conversion of academy trusts | 1,829,000 | - |
| Interest income | 53,000 | 37,000 |
| Actuarial gain/(loss) | 623,000 | (184,000) |
| Employer contributions | 355,000 | 140,000 |
| Employee contributions | 99,000 | 42,000 |
| Benefits paid | <u>(25,000)</u> | <u>(49,000)</u> |
| At 31 August | <u><u>4,851,000</u></u> | <u><u>1,917,000</u></u> |

27 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

CASTLEMAN ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

28 Teaching school trading account

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| Income | | |
| Direct Income | | |
| Other Income | 40,000 | 43,000 |
| Other Income | | |
| Fundraising and other trading activities | <u>124,723</u> | <u>61,463</u> |
| Total Income | <u>164,723</u> | <u>104,463</u> |
| Expenditure | | |
| Direct costs | | |
| Direct staff costs | 76,713 | 19,800 |
| Other costs | | |
| Support staff costs | <u>61,449</u> | <u>18,002</u> |
| Total Expenditure | (138,162) | (37,802) |
| Transfers between funds excluding depreciation | <u>-</u> | <u>(77,497)</u> |
| Surplus/(Deficit) from all sources | 26,561 | (10,836) |
| Teaching school balances at 1 September 2020 | <u>76,287</u> | <u>87,123</u> |
| Teaching school balances at 31 August 2021 | <u>102,848</u> | <u>76,287</u> |

29 Conversion to an academy trust

On 1 January 2021 the Ferndown First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Castleman Academy Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

29 Conversion to an academy trust (continued)

| | Unrestricted fund | Restricted general fund | Restricted fixed asset fund | Total |
|------------------------------|----------------------|-------------------------------|-----------------------------------|------------------|
| | £ | £ | £ | £ |
| Leasehold land and buildings | - | - | 5,836,000 | 5,836,000 |
| Other tangible fixed assets | - | - | 10,500 | 10,500 |
| On LA funds | 224,222 | - | - | 224,222 |
| Net assets | <u>224,222</u> | <u>-</u> | <u>5,846,500</u> | <u>6,070,722</u> |

The above net assets include £224,222 that were transferred as cash.

On 1 January 2021 the Ferndown Middle School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Castleman Academy Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

| | Unrestricted fund | Restricted general fund | Restricted fixed asset fund | Total |
|------------------------------|----------------------|-------------------------------|-----------------------------------|-------------------|
| | £ | £ | £ | £ |
| Leasehold land and buildings | - | - | 10,004,500 | 10,004,500 |
| Other tangible fixed assets | - | - | 18,000 | 18,000 |
| On LA funds | 324,073 | - | - | 324,073 |
| Net assets | <u>324,073</u> | <u>-</u> | <u>10,022,500</u> | <u>10,346,573</u> |

The above net assets include £324,073 that were transferred as cash.

On 1 January 2021 the Parley First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Castleman Academy Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

CASTLEMAN ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

(CONTINUED)

29 Conversion to an academy trust (continued)

| | Unrestricted fund | Restricted general fund | Restricted fixed asset fund | Total |
|------------------------------|------------------------------|--|--|------------------|
| | £ | £ | £ | £ |
| Leasehold land and buildings | - | - | 5,002,500 | 5,002,500 |
| Other tangible fixed assets | - | - | 9,000 | 9,000 |
| On LA funds | 306,114 | - | - | 306,114 |
| Net assets | <u>306,114</u> | <u>-</u> | <u>5,011,500</u> | <u>5,317,614</u> |

The above net assets include £306,114 that were transferred as cash.

The total LGPS Pension deficit liability transferred to Castleman Academy from the three schools and recognised in the SOFA was £2,910,000.

