

Company Registration Number: 08850163 (England & Wales)

CASTLE Trust

(A company limited by guarantee)

Annual report and financial statements

for the year ended 31 August 2019

CASTLE Trust
(A company limited by guarantee)

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Reference and Administrative Details

Members

Rev H Burn (resigned 12 February 2019)
Miss J Gundry
Mr R King
Mrs H Fletcher-Reilly
Mr J Stringer (appointed 23 May 2019)
Mr A Wouters (appointed 6 December 2018)

Trustees

Mr K Johnson, Bridge POC Chair (resigned 5 April 2019)^{1,2,5}
Mr T Crayden^{1,4,5,6}
Mr S Calvert, Chair of Audit & Resources Committee (resigned 13 August 2019)^{1,2,4,5}
Mr J McDonald, Vice Chair (appointed 28 February 2019)^{3,4}
Mr D Lynch (resigned 4 April 2019)^{1,2,4}
Mr C Purchase, Chair^{1,2,4,5}
Miss L Roper¹
Mr R Sanders, Chair and Greenway LAC Chair (resigned 18 September 2018)^{1,4,7}
Ms K White, Chief Executive Officer and Accounting Officer¹
Mr C D Du Gray, Audit Committee Chair (appointed 10 October 2018)^{1,4,7}
Mr G Atkinson, Chair of Delce Academy LAC (resigned 17 July 2019)⁶

- ¹ Member Appointed Director
- ² CEO Performance Review Panel
- ³ Co-opted Director
- ⁴ Audit & Resources Committee member
- ⁵ Bridge Specialist School Pre-opening Committee member
- ⁶ Delce Academy Local Advisory Committee member
- ⁷ Greenway Academy Local Advisory Committee member

Company registered number
08850163

Company name
CASTLE Trust

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

Company secretary
Prima Secretary Limited

Chief executive officer
Ms K White

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

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Reference and Administrative Details (continued)
for the year ended 31 August 2019

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

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

Solicitors
Womble Bond Dickenson LLP
One Trinity
Broad Char
Newcastle-Upon-Tyne
NE1 2HF

CASTLE Trust
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Directors' report
for the year ended 31 August 2019

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Directors' report and a directors' report under company law. The directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Charities Statement of Recommended Practice (SORP) 2015.

CASTLE Trust was formed in 2014 and has academies in two hub areas:

- Medway
- West Sussex

Delce Academy, for pupils aged 4 to 11, serves a catchment area across the Medway Towns. Greenway Academy, for pupils aged 7 to 11, serves a catchment area across Horsham, West Sussex.

In early 2020 it is anticipated that Delce Academy will transfer to a new Trust which was approved by the Regional Schools Commissioner and Headteacher Board in July 2019. In light of this, the Trust will also be looking at future options for Greenway Academy in 2020. The implications of this decision may lead to the winding up of the Trust.

Structure, governance and management

a. Constitution

The Trust, a multi academy trust, is a company limited by guarantee and an exempt charity.

The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

The directors of the charitable company are also its trustees.

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

b. Members' liability

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

c. Directors' indemnities

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

d. Principal activity

The principal activity of the Trust is specifically restricted to the following: 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 that offer a broad and balanced curriculum.

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Directors' report (continued)
for the year ended 31 August 2019

Structure, governance and management (continued)

e. Method of recruitment and appointment or election of Directors

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

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

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

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

The term of office for any director is four years.

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

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

f. Policies adopted for the induction and training of Directors

The training and induction provided for new directors will depend on their existing experience. All directors are provided with the appropriate policies and documents they will need in order for them to undertake their role as a director, these include, but are not limited to, the current Trust Financial Procedures Manual and the Trust's Governance Toolkit. As there are normally only one or two new directors in a year, induction will be done informally and tailored specifically to the individual. Advantage will be taken of any relevant specific training opportunities offered by appropriate bodies. During the 2018/19 financial year, the Trust subscribed to the National Governance Association, the NGA Learning Link and The Key for School Governors. As such, the directors and the Local Advisory Committee members have access to professional guidance and electronic training modules.

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

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Directors' report (continued)
for the year ended 31 August 2019

Structure, governance and management (continued)

g. Organisational structure

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

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

The Audit & Resources Committee
Bridge Pre-opening Committee (dissolved with closure of project)
Delce Academy Local Advisory Committee
Greenway Academy Local Advisory Committee
Chairs' Working Party (wef September 2018)
CEO's Performance Review Panel

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

The Bridge Special Educational Needs Free School which had received Secretary of State approval to be formed was cancelled by the DfE in October 2018 and hence the Bridge Pre-opening Committee dissolved in the year.

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

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

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

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

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Directors' report (continued)
for the year ended 31 August 2019

Structure, governance and management (continued)

i. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,691,658
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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j. Related parties and other connected charities and organisations

The Trust has entered into a contract with Greenway Nursery and Rainbow Club Ltd whereby the company leases premises from the Trust at Greenway Academy. The contract was formally approved by the ESFA. This is a related party due to Mrs H Fletcher-Reilly being a director of the company and a member of the Trust.

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

Objectives and activities

a. Objects and aims

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

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

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Directors' report (continued)
for the year ended 31 August 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the Trust are:

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

The priorities for the Trust are:

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

In order to achieve these objectives, the Trust will:

Attainment and Achievement

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

Quality of Provision

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

Teaching and Learning

- Continue to develop high quality teaching and learning, with a clear focus on professional development for all staff;
- Effectively induct new staff into the profession/school;
- Continue to enhance spiritual, moral, social and cultural (SMSC) development in school.

Pupil Welfare

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

Curriculum

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

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Directors' report (continued)
for the year ended 31 August 2019

Objectives and activities (continued)

Leadership and Governance

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

c. Public benefit

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

Strategic report

Achievements and performance

a. Key performance indicators

The Trust has had a mixed year in terms of pupil outcomes.

Delce Academy received an Ofsted inspection in May 2019 that judged its overall effectiveness as inadequate putting it into special measures, previously it was judged to be requires improvement.

The Trust had re-structured the Leadership team and appointed a new Executive Headteacher in February / March 2019 but these actions were not swift enough and the improvements put in place did not have time to be effective before the Ofsted visit. However, a recent Ofsted monitoring visit has confirmed actions for improvement are having a positive impact.

The Trust continues to support Leaders and managers to take effective action towards the removal of the special measures judgement.

Staff well-being has been a particular focus of the Board as a result of the judgement which has reflected in poor staff retention.

Outcomes in July 2019 are well below national.

The school has taken part in a national exclusion project which has had a positive impact on key vulnerable pupils.

Greenway Academy received an Ofsted inspection in June 2017 that judged its overall effectiveness to be Good in all areas, previously it was judged to be requires improvement.

Staff well-being is good and is reflected in high levels of staff retention.

Outcomes continue to improve with 2019 data at above national with positive progress.

Financial performance indicators

The Trust uses a number of financial key performance indicators to monitor the financial success of the Trust and progress improvement against targets set.

The Trust monitors its operating surplus/(deficit) as a percentage of total income. For the year ended 31 August 2019 the operating deficit equated to -6.1% (2018: 1.1%) of total income. When excluding depreciation charges for the year the percentage revises to -3.1% (2018: 4.1%).

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Directors' report (continued)
for the year ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2019 staffing costs represented 79.7% (2018: 71.8%) of total income.

The level of investment the Trust makes in the buildings and infrastructure is monitored as this can help to attract pupils to the Trust's schools. In the year ended 31 August 2019, the capital spend on building and infrastructure projects, was 80% (2018: 99%) of capital funding.

b. Going concern

The Trustees have been in discussion with the DfE and RSC regarding the long-term future of Delce Academy, and it has been decided that the Academy should transfer to another Trust as soon as possible in the 2019/20 Academic Year. The Trust will continue to operate with Greenway Academy and it is envisaged that the Trust will be financially solvent beyond the re-brokering of Delce Academy. There are surplus funds held as at 31 August 2019 and the 2019/20 budget anticipates there will be reserves at the point Delce Academy is re-brokered from the Trust.

The Trust will be looking at future options for Greenway Academy in 2020 in the best interests of pupils and staff.

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

c. Achievements against objects and strategy

Delce Academy

The Executive Headteacher and her senior team are clear on the need to secure rapid improvement and reverse the declining trend in results and Ofsted have deemed the school improvement plan fit for purpose.

Leaders and staff are ambitious for the future of the school and its pupils.

The Local Advisory Committee have a good understanding of the school's strengths and weaknesses and are challenging effectively to ensure the future of the school and its pupils.

Attendance is broadly in line with national.

Greenway Academy

Middle Leadership capacity continues to be developed.

The quality of teaching is consistently good across the school with a growing number of outstanding lessons.

Teaching and learning skills and teachers subject knowledge continues to improve.

Current assessment data shows pupils are on track to achieve outcomes in line with or better than average.

Attendance is above average.

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Directors' report (continued)
for the year ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

d. Outcomes 2019

Greenway Academy				
Expected	National 2019	Greenway 2019	Greenway 2018	
Reading	73%	85%	78%	Increase 7pp
Writing	78%	79%	75%	Increase 1pp
Maths	79%	82%	74%	Increase 8pp
SPaG	78%	86%	80%	Increase 6pp
Combined	65%	70%	64%	Increase 6pp

Delce Academy			
Expected	National 2019	Delce 2019	Delce 2018
Reading	73%	60%	62%
Writing	78%	55%	75%
Maths	79%	51%	65%
SPaG	78%	-	-
Combined	65%	44%	55%

Phonics check 18/19 (Year 1)

Delce 61% achieving expected standards (23 pupils)
29.4 Average score

Below national

Year 2 SATS (29 pupils)

Reading 45% Age Related Expectations well below national

Writing 31% as above

Maths 48% as above

Financial Review

a. Results for the year

During the period to 31 August 2019 total income, including capital income was £5,006,178 of which £208,331 was unrestricted income.

Total expenditure for the period to 31 August 2019 was £5,311,159 of which:

- Premises Related costs of £464,955 represented 9% of total expenditure
- Educational supplies and services of £202,758 represented 4% of total expenditure.
- Employee costs of £3,988,635 represented 75% of total expenditure

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Directors' report (continued)
for the year ended 31 August 2019

Strategic report (continued)

Financial Review (continued)

Represented by:

- Teaching and supply £2,757,342 equals 69% of employee costs
- Other staff £1,241,293 equals 31% of employee costs

The operating deficit, excluding the pension reserve adjustments, for the year ended 31 August 2019, was £304,981. This includes a depreciation charge for the year of £151,862.

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

In the course of the year the Trust has supported individual school staffing structure enhancements as required, particularly at Delce Academy, to support the school to deliver their objectives.

The Trust central team continues to support school improvement through:

- Monitoring cash positions, management of current assets and liabilities, procurement of contracts and the planned use of restricted and unrestricted funds for all its schools with particular emphasis on the impact of additional funding on targeted groups to reduce the burden on individual schools;
- The Trust encourages the participation of Headteachers in the development of individual school budgets and the Trust central team monitor local budgets with Headteachers linked with successful provision and outcomes for children.

b. Reserves policy

The level of reserves to be held by individual academies and the Trust overall has been considered in line with the Trust Central Funding and Appeals Policy.

The Trust Policy helps:

- Support Trustees in their statutory responsibilities to effectively manage public funds and deliver Trust objectives;
- Emphasise the overriding importance of effective risk management as the foundation for ensuring organisational priorities that remain in the best interests of the Trust's beneficiaries;
- Encourage the pursuit of value for money, promote the reasoned use, development and appreciation of resources to support school improvement;
- Assist those involved in the regulation and review of finance in public services, particularly those charged with audit and governance.

Types of Reserves

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

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

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

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Directors' report (continued)
for the year ended 31 August 2019

Strategic report (continued)

Financial Review (continued)

Key Principles

The key principles that underpin the Trust's approach to reserve management are:

- The Trust operates a GAG pooling policy as a route to improve best practice, both financially and from a governance perspective as permitted and advocated by the Parliamentary Under Secretary of State for the School System;
- Budget setting - academy Heads work with the CEO and CFO annually to draft a Medium-Term Financial Plan (MTFP) for their school and should present this to their Local Advisory Committee for consideration (but not approval as this will be undertaken by the Trust);
- The MTFP is then be submitted to the Trust Board who will review academy budgets and either make recommendations or give approval for the current year's budget;
- All reserves are Trust reserves;
- The Trust's general reserve balance may be comprised of restricted or unrestricted reserves;
- Trust reserves will only decrease due to capital investment or other organisational needs which shall at all times be approved by the Trustees.

Individual Academy Balances

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

Each academy will report a £10,000 surplus, with any other surplus or deficit identified in the annual financial statements being consolidated into the Central Trust reserves.

Balances in relation to restricted funding being consolidated into reserves is reported to Trustees separately.

Academies leaving or joining the Trust

If any academy ceases to be part of the Trust in future periods the level of reserves and cash transferred with that academy will be equivalent to that which is shown in the annual financial statements i.e. £10,000 under the analysis of Academies by Fund Balance section.

The Academy Trust's current level of reserves is £447,695 as at 31 August 2019, which includes unrestricted funds of £364,934 and restricted income funds of £82,761.

The Trust also has £77,319 of free capital reserves.

The restricted fund (excluding restricted fixed asset funds) at 31 August 2019 is in deficit by £715,239. This arises from the pension reserve fund, which represents the Trust's share of the LGPS fund deficit of £798,000, calculated in accordance with Financial Reporting Standard (FRS) 102, by both Barnett Waddingham LLP and Hymans Robertson LLP. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy Trust have been fixed for the three years from 1 April 2017.

c. Investment policy

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

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Directors' report (continued)
for the year ended 31 August 2019

Strategic report (continued)

Financial Review (continued)

d. Principal risks and uncertainties

The Trustees consider the principal risks and uncertainties to be:

- The deterioration of educational standards at Delce Academy
- Ineffective challenge from LAC Governors to Delce Academy school performance
- The transfer of Delce Academy to another Trust
- Confidence of staff and parents at Greenway Academy

Fundraising

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

Plans for future periods

The Trust will focus on the smooth transition of Delce Academy to an approved Trust and manage the strategic implications going forwards for its remaining academy.

Greenway Academy will remain focussed on school improvement.

Funds held as custodian on behalf of others

The Trust holds no funds on behalf of others.

Provision of information to auditor

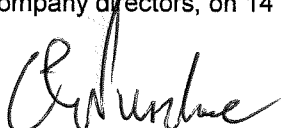
Insofar as the Directors are aware:

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

Auditor

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

The Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 14 November 2019 and signed on its behalf by:



Mr C Purchase
Chair of Trustees

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Governance Statement

Scope of responsibility

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

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

Governance

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

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

Director	Meetings attended	Out of a possible
Mr G Atkinson, (resigned 17 January 2019)	0	3
Mr S Calvert, (resigned 13 August 2019)	5	7
Mr T Crayden	6	7
Mr C D Du Gray, (appointed 10 October 2018)	5	5
Mr K Johnson, (resigned 17 January 2019)	2	5
Mr D Lynch, (resigned 4 April 2019)	4	5
Mr J McDonald, Vice Chair (appointed 28 February 2019)	3	3
Mr C Purchase, Chair	6	7
Miss L Roper	2	7
Mr R Sanders, (resigned 18 September 2018)	0	0
Ms K White	7	7

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

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

The Audit & Resources Committee will assist the Board with regard to the annual audit and accounts, internal controls and the sound management of the Trust's finances and resources. The Committee met formally 3 times during the year.

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Governance Statement (continued)

Governance (continued)

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mr G Atkinson (resigned 17 January 2019)	0	2
Mr S Calvert (resigned 13 August 2019)	2	3
Mr T Crayden	1	2
Mr C D Du Gray (appointed 10 October 2018)	1	1
Mr J McDonald (appointed 28 February 2019)	1	1
Mr C Purchase	3	3
Mr R Sanders (resigned 18 September 2018)	0	0
Mr D Lynch (resigned 4 April 2019)	1	1

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in CASTLE Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit & Resources Committee and the Board of Directors.

CASTLE Trust
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Governance Statement (continued)

The risk and control framework

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

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

The board of Directors has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control accounts
- testing of bank reconciliations

On a quarterly basis, the internal auditor reports to the board of Directors through the Audit & Resources committee on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

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

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

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Governance Statement (continued)

Review of effectiveness

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

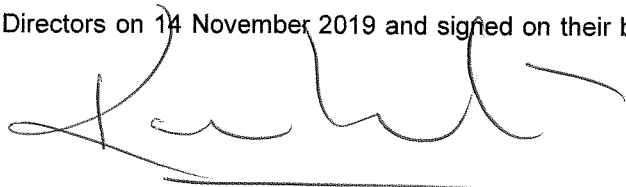
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Directors on 14 November 2019 and signed on their behalf by:



Mr C Purchase
Chair of Trustees



Karen White
Accounting Officer

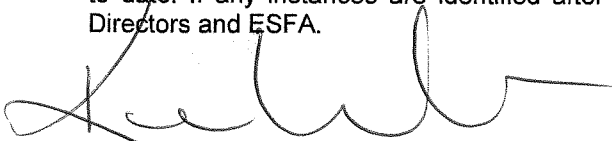
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Statement on Regularity, Propriety and Compliance

As accounting officer of CASTLE Trust I have considered my responsibility to notify the Academy Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Directors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Ms K White

Accounting Officer

Date: 14 November 2019

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**Statement of Directors' responsibilities
for the year ended 31 August 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Directors on 14 November 2019 and signed on its behalf by:



Mr C Purchase
Chair of Trustees

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

Opinion

We have audited the financial statements of CASTLE Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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