

Company Registration Number: 08850163 (England & Wales)

**CASTLE Trust**

**(A company limited by guarantee)**

**Annual report and financial statements**

**for the year ended 31 August 2021**

**CASTLE Trust**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Reference and administrative details</b>	1 - 2
<b>Directors' report</b>	3 - 12
<b>Governance statement</b>	13 - 15
<b>Statement on regularity, propriety and compliance</b>	16
<b>Statement of Directors' responsibilities</b>	17
<b>Independent auditor's report on the financial statements</b>	18 - 22
<b>Independent reporting accountant's report on regularity</b>	23 - 24
<b>Statement of financial activities incorporating income and expenditure account</b>	25
<b>Balance sheet</b>	26
<b>Statement of cash flows</b>	27
<b>Notes to the financial statements</b>	28 - 58

**CASTLE Trust**  
(A company limited by guarantee)

**Reference and Administrative Details**

**Members**

Mrs H Fletcher-Reilly  
Miss J Gundry (resigned 1 October 2020)  
Mr J Stringer  
Mr A Wouters

**Directors**

Mrs N Brosnan<sup>3,4,5</sup>  
Mr T Crayden, Vice Chair (from 6 July 2021)<sup>1,4</sup>  
Mr C Purchase, Chair (to 21 June 2021) (resigned 21 June 2021)<sup>1,4</sup>  
Ms K White, Chief Executive Officer and Accounting Officer<sup>1</sup>  
Mr C D Du Gray, Vice Chair (to 6 July 2021), Chair (from 6 July 2021)<sup>1,4,5,6</sup>

- <sup>1</sup> Member Appointed Director
- <sup>2</sup> Parent Director (we had no Parent Directors during the year as Parent Governors were elected by LACs)
- <sup>3</sup> Co-opted Director
- <sup>4</sup> Audit Committee member
- <sup>5</sup> Greenway Academy Local Advisory Committee member
- <sup>6</sup> Board Safeguarding Champion

**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**

K White, Chief Executive Officer  
J Knight, Chief Finance Officer (retired 31 December 2021)  
L Miller MBE, Interim Executive Support (from 1 September 2021)  
Mr D Alexander, Trust Business Manager  
E Taaffe, Governance & Data Manager (resigned 31 July 2021)

**CASTLE Trust**  
**(A company limited by guarantee)**

**Reference and Administrative Details (continued)**  
**for the year ended 31 August 2021**

**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  
4 More London Riverside  
London  
SE1 2AU

**CASTLE Trust**  
(A company limited by guarantee)

**Directors' report**  
**for the year ended 31 August 2021**

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2020 to 31 August 2021. 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) 2019.

CASTLE Trust (the Trust) operates one academy:

Greenway Academy, for pupils aged 7 to 11 serving a catchment area across Horsham, West Sussex. It has a pupil admission number of 480 and had a roll of 374 in the 2020 autumn school census.

All remaining transfer issues of Delce Academy to the Inspire Partnership were resolved during the previous financial year.

**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 , 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.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Structure, governance and management (continued)**

**d. 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.

**e. 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 2020/21 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 regarding details of governance reviews and how the Trust ensures directors are up to date with relevant legislation and training.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Structure, governance and management (continued)**

**f. 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 Committee  
Greenway Academy Local Advisory Committee  
CEO Performance Review Panel

The Trust Board and the Audit Committee continued to function throughout the pandemic virtually.

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

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. Since September 2022, an interim Executive support consultant has been fulfilling the role of Accounting Officer due to an extended period of absence of the Chief Executive Officer. This off payroll appointment was agreed by the ESFA.

**g. 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 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 Committee review and agree upon.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

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

**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	1,795,588	
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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**i. Related parties and other connected charities and organisations**

In connection with the proposed transfer of Greenway Academy to GLF Schools, the Trust continued to work in partnership with GLF.

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.



**CASTLE Trust**  
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**Directors' report (continued)**  
**for the year ended 31 August 2021**

**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;

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 develop SMSC in school to develop children as reflective, resilient, responsible life long learners;

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;
- Embed an effective assessment policy, using formative and summative data to best inform teaching and learning.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Objectives and activities (continued)**

Leadership and Governance

- Support the school team to adapt well to new ways of working as a result of the global pandemic;
- Support the school community through the global pandemic, minimizing the impact on children's academic progress, including their mental and physical well-being;
- Continue to provide development opportunities for directors based on skills audit;
- Continue to develop understanding and use of data in school, by all, so that support and challenge is tightly focussed on areas for improvement.

**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**

Through operating Greenway Academy, the Trust, within the parameters of the global pandemic, continued to:

- 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;

The Trust was issued with a Financial Notice to Improve (May 2021); the Trust has an agreed Action Plan addressing the financial issues of the Trust, returning it to a balanced budget.

The Trust worked with its school to ensure all government guidelines were implemented and that children received a positive educational experience either in school or via online portals.

**CASTLE Trust**  
(A company limited by guarantee)

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

**a. Key performance indicators**

Greenway Academy:

Official data is the 2019 data as Formal SATS were not completed as a result of COVID-19.

Internal school data at the end of the academic year showed that children had accessed high quality remote learning and benefitted from returning to school. Transition to Key Stage 3 was a key priority for the school, ensuring that the receiving schools had high quality, informative, accurate data on children transferring into Year 7.

Moderated school data showed that over the four years, the children had achieved accelerated progress from a very low on-entry point in Year 3.

- Maths progress +2.0
- Writing progress +2.7
- Reading progress +4.2

Combined expected 71%  
Combined GD 13%

**Key groups**

**SEN positive progress**

- Maths +0.6
- Writing +1.8
- Reading +2.8

**PP Children**

- Maths -1.1
- Writing +0.8
- Reading +3.9

- High levels of attendance was achieved for all pupils, whether on-site or virtually
- Attendance of key worker pupils and vulnerable pupils continued to be high throughout the academic year
- Attendance during the return to school offer was very high, with few children absent from school
- The school ensured through lock down that remote learning was available for all children, applied for and issued out laptops allocated by the Government for disadvantaged pupils. Barriers were acknowledged and removed where possible for the school community.
- Safeguarding procedures were paramount, ensuring all families were in contact with the school throughout lockdown, protecting children and supporting their mental well-being.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

Based on funding assurances received from the ESFA and subsequently shared with the trust's auditors, the Trustees have been advised and are satisfied that the Trust can be wound up in an orderly manner and meet all of its liabilities.

The Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF. GLF approved for this transfer to take place on 1 September 2022 and based on this, the Trustees have made the decision to wind up the Trust in as soon as possible after 1 September 2022. Therefore, the Trust has prepared these accounts on a basis other than a going concern.

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

**Financial Review**

During the period to 31 August 2021 income, including capital income, was £2,258,027 of which £89,370 was unrestricted income. Total expenditure for the period to 31 August 2021 was £1,933,625 of which:

- Employee costs of £1,491,716 represented 77% of total expenditure

Represented by:

- Teaching and educational support £1,028,041 equals 69% of employee costs
- Other staff £463,675 equals 31% of employee costs
- Premises related costs of £78,786 represented 4% of total expenditure
- Educational supplies and services of £93,339 represented 5% of total expenditure.

The operating surplus excluding pension reserve adjustments for the period ended 31 August 2021 was £324,402. This includes depreciation charges of £118,993. In addition, a provision for staff restructuring costs made in the prior year of £394,310 were reversed in the 2021 financial year due to resignation and retirement of leadership staff received in the year for which the provision was made due to the proposed closure of the Trust.

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.

**CASTLE Trust**  
(A company limited by guarantee)

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**a. Reserves policy**

The Trustees review the level of reserves annually in line with the Trust Central Funding and Appeals Policy.

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.

Key Principles

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. The Trust's Central reserves balance may be compromised of restricted or unrestricted reserves.

Any balance in relation to restricted funding being consolidated into reserves will be reported to Trustees in a separate report.

Academies leaving or joining the Trust

Should any academy not 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 of £10,000 under the analysis of Academies by Fund Balance section.

An academy that joins the Trust will be given the medium term to build up its individual reserves to the required level. The Trustees will assess each academy individually and may make amendments to this target or offer financial support and investment from reserves held.

The Academy Trust's current level of reserves is £3,203,438 as at 31 August 2021, which includes unrestricted funds of £81,540 and restricted income funds of (£696,792).

The Trust also has £10,737 of free capital reserves.

The restricted fund (excluding restricted fixed asset funds) at 31 August 2021 is in deficit by £696,792. This arises from the pension reserve fund, which represents the Trust's share of the LGPS fund deficit of £776,000 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 April 2020.

**CASTLE Trust**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**for the year ended 31 August 2021**

**b. 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.

**c. Principal risks and uncertainties**

The Trustees consider the principal risks and uncertainties to be:

- Financial viability in connection with transfer of Greenway Academy
- Uncertainty surrounding the impact of Covid-19 for 2021/22 in terms of health, safety and wellbeing of pupils and staff and the potential for further school closures
- The transfer of Greenway 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 voluntary fund financial system and funds are received and monitored by Headteachers. Any complaints regarding fundraising should be referred to the Trusts 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 Trustees have been in discussion with the RSC/ESFA and GLF Schools to transfer Greenway Academy to GLF Schools on 1 September 2022 and wind up the Trust as soon as possible thereafter.

**Funds held as custodian on behalf of others**

The Trust holds no funds on behalf of others.

**Provision of information to auditor**

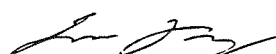
The Trustees have confirmed that, in so far as they are aware:

- 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. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Members.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 6 April 2022 and signed on its behalf by:



**Mr C D Du Gray**  
Chair of Trustees

**CASTLE Trust**  
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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.

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

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 2020/21 academic year.

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

Director	Meetings attended	Out of a possible
Mrs N Brosnan	6	7
Mr T Crayden, Vice Chair (from 6 July 2021)	7	7
Mr C Purchase, Chair (resigned 21 June 2021)	5	6
Ms K White, Chief Executive Officer and Accounting Officer	7	7
Mr C D Du Gray, Vice Chair (to 6 July 2021), Chair (from 6 July 2021)	7	7

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

The board over the year have focussed on working with the ESFA to respond to the challenges outlined in the Financial Notice to Improve. This led to the appointment of an external consultant who recommended to the board by the Department for Education.

The Audit 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 1 time during the year.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Mrs N Brosnan	1	1
Mr T Crayden	1	1
Mr C Du Gray, Chair	1	1
Mr C Purchase	1	1

**CASTLE Trust**  
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**Governance Statement (continued)**

**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 working with the ESFA to agree budgets for future years.

**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 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit Committee and the Board of Directors.

**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 Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Directors has decided not to appoint an internal auditor.

The newly revised FRC Ethical Standard for auditors meant that Kreston Reeves LLP resigned as internal auditor to comply with the Standard at the end of the academic year 2019-20.

The Trust did not engage any external auditor to provide internal scrutiny across the year due to the long term absence of the Chief Financial Officer.



**CASTLE Trust**  
(A company limited by guarantee)

**Governance Statement (continued)**

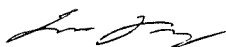
**Review of effectiveness**

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:

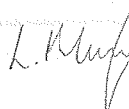
- correspondence from ESFA e.g. Financial Notice to Improve;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the review of the ESFA via the Financial Notice to Improve. An action plan to address the weaknesses and ensure the Trust is compliant with the Notice has been produced and approved by the ESFA. The accounting officer continues to work towards implementing the action plan.

Approved by order of the members of the Board of Directors on 6 April 2022 and signed on their behalf by:



**Mr C D Du Gray**  
Chair of Trustees



**Mr L Miller MBE**  
Interim Accounting Officer

**CASTLE Trust**  
**(A company limited by guarantee)**

**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 2020.

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 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Directors and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Directors and ESFA:

As highlighted in the Financial Notice to Improve issued in May 2021:

- The Trust failed to ensure oversight and management of financial decisions, leading to a seriously deteriorated financial position at the Trust
- The Trust failed to ensure regularity and propriety in use of the trust's funds, and achieve economy, efficiency and effectiveness
- The Trust failed to make any significant changes to its budget for the financial year to 31 August 2021 which led to a seriously deteriorated financial position at the Trust.

In addition to the above, the following has also been identified:

- The Trust failed to direct a programme of internal scrutiny during the financial year to 31 August 2021
- The Trust failed to submit its annual financial statements for the financial year to 31 August 2020 to the Registrar of Companies House on time resulting in a penalty being issued which does not represent value for money
- The Trust failed to publish its annual financial statements for the financial year to 31 August 2020 on the Trust's website.



**Mr L Miller MBE**  
Interim Accounting Officer  
Date: 6 April 2022

**CASTLE Trust**  
**(A company limited by guarantee)**

**Statement of Directors' responsibilities  
for the year ended 31 August 2021**

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 and 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 . 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 6 April 2022 and signed on its behalf by:



**Mr C D Du Gray**  
Chair of Trustees

**CASTLE Trust**  
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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 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**Emphasis of matter - financial statements prepared on a basis other than that of going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Academy Trust's ability to continue as a going concern.

As disclosed in notes 1.1 and 1.2, the Trustees have concluded that the Academy Trust is not a going concern following the decision to transfer its operations to an alternative multi-academy Trust. The financial statements have been prepared on a basis other than that of going concern.

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

**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

**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.

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

**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.

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:

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Academy Trust and the sector, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and non-compliance with financial management and governance requirements which are consistent with the obligations of public funded bodies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Testing of internal controls procedures relating to expenditure potentially more susceptible to fraud and other irregularities including the misuse of public funding in areas such as payroll and credit card expenditure; and
- Review of credit card expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Checking and reperforming the reconciliation of key control accounts; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of internal controls and physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

## CASTLE Trust

(A company limited by guarantee)

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

- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 of 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.

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

**Use of our report**

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



**Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)**  
for and on behalf of  
**Kreston Reeves LLP**  
Statutory Auditor  
Chartered Accountants  
Chatham Maritime

12 May 2022