

CASTLE VIEW ENTERPRISE ACADEMY

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2018

Castle View Enterprise Academy

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Castle View Enterprise Academy

Reference and Administrative Details

Members	H Mottram OBE L Hunter MBE M Parker (appointed 1 November 2017)
Trustees (Directors)	L Hunter MBE L Perry J Bridges OBE B Gubbins (appointed 8 January 2018) A Radcliffe (appointed 6 October 2017) R Koglbauer (appointed 12 June 2018) A Young K McLaughlin (appointed 5 July 2018) C Leighton H Mottram OBE M Wooler R Hutton Professor I Neal (resigned 8 December 2017) Doctor L McKenna (appointed 2 January 2018 and resigned 1 October 2018)
Company Secretary	P Smith
Senior Management Team	J Bridges OBE, Principal A Marshall, Assistant Vice Principal J Owens, Assistant Vice Principal E McDermott, Assistant Vice Principal G Woollett, Assistant Vice Principal A Payne, Assistant Vice Principal P Smith, Finance Director L Anderson, Leadership and Business Support Manager
Principal and Registered Office	Castle View Enterprise Academy Cartwright Road Sunderland SR5 3DX
Company Name	Castle View Enterprise Academy
Company Registration Number	06268570
Auditors	Tait Walker LLP Bulman House Regent Centre Gosforth Newcastle Upon Tyne NE3 3LS
Bankers	Barclays Bank 53 Fawcett Street Sunderland SR1 1RS
Solicitors	Muckle LLP Time Central 23 Gallowgate Newcastle upon Tyne NE1 4BF

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Sunderland. It has a pupil capacity of 900 and had a roll of 774 in the school census in October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 academy trust. The Governors of Castle View Enterprise Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Castle View Enterprise Academy.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

Method of Recruitment and Appointment or Election of Trustees

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

Organisational Structure

During the year the academy continued to operate a unified management structure. The Structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Leader Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Principal,

Finance Director, Leadership and Business Support Manager (to 27 August 2018), four Vice Principals and two Assistant Vice Principals. These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

The daily management of the academy is centred on the Director of each subject area and Heads of Year. They drive forward their area and are accountable for achievement, attendance and behaviour.

Arrangements for setting pay and remuneration of key management personnel

The Members and Governors receive no remuneration for the services they provide.

The Governors determine the general pay and remuneration policy of the Academy. That of the Principal and the Finance Director are set directly by the Governors based on performance against targets. The pay and remuneration of other Key Management Personnel and members of the Senior Leadership Team are determined in accordance with the general pay policy of the Academy and subject to satisfactory performance against targets.

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the period	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£3,738,000
Percentage of the total pay bill spend on facility time	0%

Paid trade union activities

Total spend on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

Northumbrian Water Limited and Sunderland City Council are the sponsors of Castle View Enterprise Academy Trust. Since the foundation of the academy, Northumbrian Water Limited has donated £250,000 and Sunderland City Council has donated £1,100,000 to The Northumbrian Water Limited Endowment Trust, referred to below, the income from which is to be applied to assist the academy to achieve its educational purposes, and in particular:

- 1) to counter the impact of deprivation and disadvantage on education: and
- 2) to promote educational work within the community served by the academy.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the academy trust is the operation of Castle View Enterprise Academy to provide education for students of different abilities between the ages of 11 and 16 with an emphasis on business and enterprise.

In accordance with the articles of association, the academy trust has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies amongst other things, the basis for admitting students to the academy, the catchment area from which students are drawn and that the curriculum should comply with the substance of the national curriculum with an emphasis on business and enterprise and their practical applications.

Objectives, strategies and activities

The academy's main strategy is encompassed in its mission statement which is:

- To provide the best education for all students in order for them to achieve their personal best;
- To develop personal, social, spiritual and cultural development within an environment where every child does matter; and
- To create an orderly, disciplined, caring environment and prepare all students for the world of work and further education in the 21st Century.

The activities undertaken to achieve these objective are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 16.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

Public Benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the governors have considered this guidance in deciding what activities the academy trust should undertake.

Equal Opportunities Policy

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

STRATEGIC REPORT

Achievements and Performance

This year our students achieved well with some outstanding individual performances. Here are some brief highlights:

- 55% of students achieved Grade 4 or above in English and Maths
- 36% of students achieved Grade 5 or above in English and Maths
- Our overall Progress 8 score was -0.62
- Our overall Attainment 8 score 41.2
- There were really outstanding results in Business, PE, Health and Social Care and Art

We are really proud of all our students, but here are some individuals who really stood out:

- MC - 3 Grade 9's, 2 Grade 8's, 5 Grade 7/A
- ES - 2 Grade 9's, 2 Grade 8's, 4 Grade 7's
- SC - 1 Grade 9, 4 Grade 8's, 3 Grade 7/A
- LB - 1 Grade 9, 5 Grade 8's, 2 Grade 7/A
- LT - 1 Grade 9, 2 Grade 8's, 5 Grade 7/A
- JM - 5 Grade 8's, 3 Grade 7/A

Our partnership with Durham School continued and three of our students, MC, LT and LB, were successful in achieving scholarships. This is a fantastic opportunity and we wish them well in the future.

Castle View Enterprise Academy has diminished the difference between those children who are eligible to receive additional funding, in the form of Pupil Premium and those who are not.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

DfE Financial (Ending 31st March)	Year	Students Eligible	% of Students Eligible	Funding per Student	Total Allocation
2012-2013		333	43%	£623	£207,459
2013-2014		320	43%	£900	£288,000
2014-2015		320	43%	£935	£299,200
2015-2016		306.5	42%	£935	£286,578
2016-2017		303.5	41%	£935	£283,773
2017-2018		318.5	43%	£935	£297,878
2018-2019 (indicative)		341	45%	£935	£318,835

Actual Funding Received per Academic Year

2012-2013	£249,489
2013-2014	£291,836
2014-2015	£299,430
2015-2016	£286,605
2016-2017	£291,720
2017-2018	£311,952

Additional Information

The academy operates an extensive work experience and enterprise programme working in collaboration with over 50 business partners. The Year 7 Business & Enterprise curriculum is led by businesses and students have regular visits.

In March 2017 the academy was inspected under the new Ofsted framework and was rated GOOD in all areas.

The academy has also developed a Sport Academy with specialism in Cricket, Football and Dance.

CVEA now operates it's own Cadet Force, this was formed in 2015 and they are affiliated with The Royal Regiment of Fusiliers with direct links in to Fifth Fusiliers.

CVEA is the first school in Sunderland to offer this programme for young people in our care.

Key Performance Indicators

- Progress and attainment across 8 qualifications
- The percentage of students achieving the threshold in English and Maths (Grade 4/5)
- Percentage of students entering, and percentage of students achieving, the English Baccalaureate
- Percentage of students staying in education after Key Stage 4
- Attendance within national average
- Reduction in exclusions

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

- Good in Ofsted Inspections
- Maintenance of reserves at or above the Reserves Policy
- Control of costs to budget levels

Going Concern

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

Financial Review

Most of the academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the academy receives grants from the local authority, Sunderland City Council, in respect of students with special educational needs and students whom are looked after by the authority. The income and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The academy also generates income from the letting of school facilities to third parties, and from activities associated with this letting. This income, and the associated costs are shown as unrestricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure of £5,643,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £369,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy's objectives.

At 31 August 2018 the net book value of fixed assets was £13,284,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £403,000 recognised on the balance sheet.

The academy held free reserves at 31 August 2018 of £264,000 which is wholly comprised of unrestricted funds.

Reserves Policy

The academy holds endowment, restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2018 (continued)

The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold total reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of 7.5% of total incoming resources less restricted fixed asset income, which amounts to £361,000.

This is considered sufficient to cover:

- 1) One month's payroll costs and
- 2) One months payments to suppliers

At 31 August 2018 actual reserves fall short of this policy by £97,000.

The Governors have taken steps to reduce costs relative to student numbers within the Academy in 2018/19, and forecasts indicate that this, combined with increases in income as a result of a rising roll, will return the reserves to at or above the Governors' reserves policy by 2020/21.

Investment Policy

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. The change to the Government's National Funding Formula to calculate grant income for all Local Authorities from 1 September 2018, who then use their own formula to distribute those funds to maintained schools and academies, should benefit the academy trust through an increase in the grant income per student. This will be the position for the two financial years 2018/19 and 2019/20, however, at this time, the DfE have not indicated how this will change thereafter. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Governors have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and relevant staff have received training in this area. In addition all staff have received training on Safeguarding and Child Protection.

The Academy Trust is subject to a number of risks and uncertainties in common with other Academy Trusts. The Academy Trust has in place procedures to identify and mitigate financial risks.

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Fundraising

The Academy is funded principally through Central and Local Government grants, but does generate its own income through such activities as the letting of Academy facilities outside of teaching hours, particularly the 3G football pitch. The Academy does not work with any commercial or professional fundraisers and does not undertake fundraising campaigns.

Plans for Future Periods

Development work continues at a rapid pace and includes:

- Review of the academy policies by the Governing Body
- Review of the staffing structure to maximise the effectiveness of the teaching, support and administrative staff
- Continuing to raise attainment and develop inclusion for all students
- Continuing the development of community, business and international links
- Continuing development of our cricket, dance and football academies
- Further develop the CCF and its interaction with the other activities of the Academy

Auditor

Insofar as the Governors are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 7/12/2018 and signed on its behalf by:


.....
H Mottram OBE
Trustee

Castle View Enterprise Academy

Governance Statement

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that Castle View Enterprise Academy 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 governors has delegated the day-to-day responsibility to the Principal, 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 View Enterprise Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
H Mottram OBE, Chair	2	3
C E Leighton, Vice Chair	2	3
J S Bridges OBE, Principal and Accounting Officer	3	3
B J Gubbins (Appointed 8 January 2018)	2	2
L Hunter MBE	3	3
R Hutton	3	3
R Koglbauer (Appointed 11 June 2018)	1	1
L McKenna (Appointed 2 January 2018; Resigned 1 October 2018)	0	2
K McLaughlin (Appointed 5 July 2018)	1	1
I G Neal (Resigned 8 December 2017)	1	1
L Perry	1	3
A E Radcliffe	1	3
M Wooler	3	3
A Young	3	3

The Governing Body is a carefully selected group of individuals brought together to provide challenge, support and monitoring of Castle View Enterprise Academy. The Group is made up of three members of the lead sponsor Northumbrian Water Limited, one education specialist from a local University, three from business, two from an education background and two Community Governors.

A governance self-review was carried out in February 2015 by the governing body, and a strategy action plan was prepared. This plan is reviewed at each meeting of the full governing body.

Castle View Enterprise Academy

Governance Statement (continued)

The Finance, Audit and General Purposes Committee is a sub-committee of the main board of governors. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances, including proper planning monitoring and probity. During the year the Responsible Officer audits the accounts process and joins all of the meetings.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J S Bridges OBE, Principal and Accounting Officer	2	2
C E Leighton, Vice Chair	0	2
L Hunter MBE	2	2
R Hutton	2	2
I G Neal (Resigned 8 December 2017)	1	1

Note: The Finance, Audit and General Purposes Committee would normally meet three time in each year, however the meeting scheduled for June 2018 could not take place due to illness. All members were provided with papers and urgent business was dealt with through e-mail and telephone communications.

Effectiveness of the Board of Governors

The Board of Governors consists of a broad mix of individuals bringing different skills and experience to the management and oversight of the Academy, including education, business management and finance. Governors take responsibility for specific departments and pastoral areas within the Academy, carrying out regular reviews with senior and middle leaders, meeting students and reviewing work. Reports are then made to the Board of Governors to ensure that the work of the Board is focussed on those areas most in need of development. Training is made available to all Governors, both general and specific to their areas of responsibility, to ensure that the Board remain up to date and effective.

The Board believes that it provides effective strategic direction to the senior leadership team and performs an effective oversight function through observation and questioning. A number of challenges have arisen during the course of the year:

- The Board made the decision to increase the student intake in September 2018, following the increase in September 2017, despite the detrimental impact that this would have on the reserves position of the Academy in 2018/19, as in the longer term this growth would benefit the Academy and the students;
- Reviewed the curriculum and in doing so increased the EBAC provisions.

It is the view of the Board that the data provided to the Board is of good quality, for both actual and forecast educational and financial outcomes. The data is carefully prepared, based on evidence or supported by reasonable assumptions that are disclosed with the data. The Board will challenge and question the data to satisfy themselves that it is robust and accurate.

As accounting officer the Principal 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.

Castle View Enterprise Academy

Governance Statement (continued)

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of governors 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:

- Constantly reviewing the staffing structure of the academy to ensure that staff are best deployed to support the curriculum needs of all students and to provide the most efficient support and administration services;
- Reviewing contracts for support services at each renewal to identify alternative providers and/or negotiating with providers to reduce costs;
- Enhancing income generation opportunities to provide additional funds to support academy activities.

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 View Enterprise Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors 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 governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 trustees
- ☐ 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
- ☐ testing of payroll systems
- ☐ testing of purchase systems

Castle View Enterprise Academy

Governance Statement (continued)

- ☐ testing of control account/ bank reconciliations
- ☐ 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 board of governors has considered the need for a specific internal audit function. The internal auditor resigned during the course of the year, restricting the work carried out, and the Governors are actively seeking a replacement.

The internal auditor's role includes performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

The auditor reports to the board of governors, through the Finance, Audit and General Purposes Committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

No material issues were identified over the course of the year.

Review of Effectiveness

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit and general purposes committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7/12/2018 and signed on its behalf by:


.....
H Mottram OBE
Trustee

Castle View Enterprise Academy

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and the ESFA.

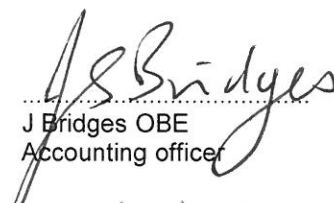
Matter 1: Register of Academy Trust Officers

We noted that the Register Academy Trust officers included on the Academy Trust's website was not up to date.

Matter 2: Register of Business & Pecuniary Interests

We further noted that the due to staffing changes, the the Register of Business and Pecuniary Interests was last updated in November 2017.

If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:


J Bridges OBE
Accounting officer

Date: 7/12/2018

Castle View Enterprise Academy

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company and group for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and of its incoming resources and application of resources, including the group income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

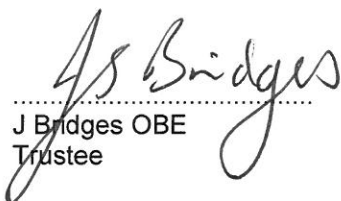
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and group 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 7/12/2018 and signed on its behalf by:


J Bridges OBE
Trustee


H Mottram OBE
Trustee

Castle View Enterprise Academy

Independent Auditor's Report on the Financial Statements to the Members of Castle View Enterprise Academy

Opinion

We have audited the financial statements of Castle View Enterprise Academy (the 'Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Castle View Enterprise Academy

Independent Auditor's Report on the Financial Statements to the Members of Castle View Enterprise Academy (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent 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.

Castle View Enterprise Academy

Independent Auditor's Report on the Financial Statements to the Members of Castle View Enterprise Academy (continued)

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees 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 Group's or the parent 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 our 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 our auditor's report. However, future events or conditions may cause the Group or the parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 View Enterprise Academy

Independent Auditor's Report on the Financial Statements to the Members of Castle View Enterprise Academy (continued)

Use of our report

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

Tait Walker LLP

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of Tait Walker LLP
Chartered Accountants and Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Date: *19th December 2018*

Castle View Enterprise Academy

Independent Reporting Accountant's Report on Regularity to Castle View Enterprise Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle View Enterprise Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Castle View Enterprise Academy Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Castle View Enterprise Academy's funding agreement with the Secretary of State for Education dated 25 May 2007 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and directors of the trust;
- Inspection and review of the accounting records, meeting minutes and internal control procedures; and
- Observation and re-performance of financial controls.

Castle View Enterprise Academy

Independent Reporting Accountant's Report on Regularity to Castle View Enterprise Academy and the Education & Skills Funding Agency (continued)

Conclusion

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

Matter 1: Register of Academy Trust Officers

We noted that the Register Academy Trust officers included on the Academy Trust's website was not up to date.

Matter 2: Register of Business & Pecuniary Interests

We further noted that the due to staffing changes, the Academy Trust was unable to locate an up to date copy of the Register of Business and Pecuniary Interests.

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



Tait Walker LLP
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Date: 

Castle View Enterprise Academy

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Endowment Fund £ 000	Total 2018 £ 000
Income and endowments from:						
Donations and capital grants	3	-	-	16	-	16
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	-	4,399	-	-	4,399
Other trading activities	5	412	-	-	-	412
Investments	6	3	-	-	-	3
Total		415	4,399	16	-	4,830
Expenditure on:						
Raising funds	7	145	10	-	-	155
<i>Charitable activities:</i>						
Academy trust educational operations		11	4,897	397	-	5,305
Total		156	4,907	397	-	5,460
Net income/(expenditure)		259	(508)	(381)	-	(630)
Transfers between funds		(367)	358	9	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	26	10	450	-	-	460
Net movement in (deficit)/funds		(98)	300	(372)	-	(170)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2017		354	(650)	13,527	1,140	14,371
Total funds/(deficit) carried forward at 31 August 2018		256	(350)	13,155	1,140	14,201

Castle View Enterprise Academy

Consolidated Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Other Funds £ 000	Total 2017 £ 000
Income and endowments from:						
Donations and capital grants	3	-	13	16	-	29
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	-	4,320	-	-	4,320
Other trading activities	5	537	-	-	-	537
Investments	6	2	-	-	-	2
Total		539	4,333	16	-	4,888
Expenditure on:						
Raising funds	7	167	-	-	-	167
<i>Charitable activities:</i>						
Academy trust educational operations		11	5,063	402	-	5,476
Total		178	5,063	402	-	5,643
Net income/(expenditure)		361	(730)	(386)	-	(755)
Transfers between funds		(563)	531	32	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	26	32	980	-	-	1,012
Net movement in (deficit)/funds		(170)	781	(354)	-	257
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2016		524	(1,431)	13,881	1,140	14,114
Total funds/(deficit) carried forward at 31 August 2017		354	(650)	13,527	1,140	14,371

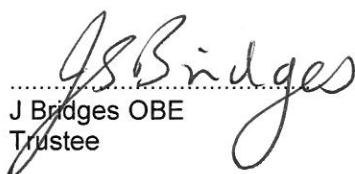
Castle View Enterprise Academy

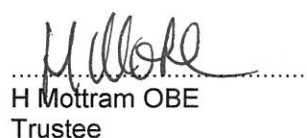
(Registration number: 06268570)

Consolidated Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Intangible assets	12	3	7
Tangible assets	13	13,284	13,663
		<u>13,287</u>	<u>13,670</u>
Current assets			
Stocks	15	9	15
Debtors	16	255	219
Cash at bank and in hand		1,581	1,630
		<u>1,845</u>	<u>1,864</u>
Creditors: Amounts falling due within one year	17	(528)	(450)
Net current assets		<u>1,317</u>	<u>1,414</u>
Total assets less current liabilities		<u>14,604</u>	<u>15,084</u>
Net assets excluding pension liability		14,604	15,084
Pension scheme liability	26	(403)	(713)
Net assets including pension liability		<u>14,201</u>	<u>14,371</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund	18	13,155	13,527
Restricted pension fund	18	(350)	(650)
Endowment fund	18	1,140	1,140
		<u>13,945</u>	<u>14,017</u>
Unrestricted funds			
Unrestricted income fund	18	256	354
Total funds		<u>14,201</u>	<u>14,371</u>

The financial statements on pages 22 to 58 were approved by the Trustees, and authorised for issue on 7/12/2018 and signed on their behalf by:


J Bridges OBE
Trustee


H Mottram OBE
Trustee

Castle View Enterprise Academy

(Registration number: 06268570)

Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Intangible assets	12	-	4
Tangible assets	13	13,155	13,527
Investments	14	3	3
		<u>13,158</u>	<u>13,534</u>
Current assets			
Stocks	15	9	15
Debtors	16	288	254
Cash at bank and in hand		<u>1,500</u>	<u>1,540</u>
		1,797	1,809
Creditors: Amounts falling due within one year	17	<u>(509)</u>	<u>(425)</u>
Net current assets		<u>1,288</u>	<u>1,384</u>
Total assets less current liabilities		<u>14,446</u>	<u>14,918</u>
Net assets excluding pension liability		14,446	14,918
Pension scheme liability	26	<u>(350)</u>	<u>(650)</u>
Net assets including pension liability		<u>14,096</u>	<u>14,268</u>
Funds of the Academy:			
Restricted funds			
Restricted fixed asset fund	18	13,155	13,527
Restricted pension fund	18	(350)	(650)
Endowment fund	18	<u>1,140</u>	<u>1,140</u>
		13,945	14,017
Unrestricted funds			
Unrestricted income fund	18	<u>151</u>	<u>251</u>
Total funds		<u>14,096</u>	<u>14,268</u>

The financial statements were approved by the Trustees, and authorised for issue on 7/12/2018 and signed on their behalf by:


J Bridges OBE
Trustee


H Mottram OBE
Trustee

Castle View Enterprise Academy

Consolidated Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	(46)	(113)
Cash flows from investing activities	23	(6)	1,033
Cash flows from financing activities	22	<u>3</u>	<u>2</u>
Change in cash and cash equivalents in the year		(49)	922
Cash and cash equivalents at 1 September		<u>1,630</u>	<u>708</u>
Cash and cash equivalents at 31 August	24	<u><u>1,581</u></u>	<u><u>1,630</u></u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

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

Basis of preparation

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

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Academy Trust and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities (incorporating the income and expenditure account) is published, a separate statement of financial activities (incorporating the income and expenditure account) for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The Academy Trust made a deficit of £123k (2017: surplus of £233k)

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Income

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

Grants receivable

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

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

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

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Software	3 years straight line

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Asset class	Depreciation method and rate
Long term leasehold land	125 years straight line
Long term leasehold property	50 years straight line
Improvements to property	10 to 25 years straight line
Motor vehicles	4 years straight line
Fixtures & equipment	5 years straight line
Computer equipment	3 years straight line

Liabilities

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

Provisions

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

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

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Leased assets

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

Investments

The Academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trusts wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to Academy Trust's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Defined Benefit Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Academy Trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the Academy Trust to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the statement of financial activities. The charge for the current year was £402,000 (2017: £406,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Subsidiary undertaking

The financial statements include the results of Castle View Community and Fitness Centre Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 14. Profits generated by the subsidiary will be passed to the Academy via gift aid.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2018.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Donations and capital grants

	Restricted fixed asset funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Capital grants	16	16	16
Other donations	-	-	13
	<u>16</u>	<u>16</u>	<u>29</u>
	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2017 £ 000
Total 2017	<u>13</u>	<u>16</u>	<u>29</u>

4 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
DfE/ESFA revenue grants			
General Annual Grant GAG	3,859	3,859	3,950
Other ESFA Group grants	<u>540</u>	<u>540</u>	<u>304</u>
	<u>4,399</u>	<u>4,399</u>	<u>4,254</u>
Other government grants			
Local authority grants	-	-	45
Other income from the academy trusts educational operations	<u>-</u>	<u>-</u>	<u>21</u>
	<u>-</u>	<u>-</u>	<u>66</u>
Total grants	<u>4,399</u>	<u>4,399</u>	<u>4,320</u>
	Restricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>4,320</u>	<u>4,320</u>	

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Other trading activities

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Catering income	207	207	184
Other sales	100	100	184
School uniform	-	-	22
Subsidiary income	105	105	147
	<u>412</u>	<u>412</u>	<u>537</u>
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>537</u>	<u>537</u>	

6 Investment income

	Unrestricted funds £ 000	Total 2018 £ 000	Total 2017 £ 000
Short term deposits	<u>3</u>	<u>3</u>	<u>2</u>
	Unrestricted funds £ 000	Total 2017 £ 000	
Total 2017	<u>2</u>	<u>2</u>	

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2018 £ 000	Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	-	-	155	155	167
Academy's educational operations					
Direct costs	3,053	-	473	3,526	3,477
Allocated support costs	685	731	363	1,779	1,999
	<u>3,738</u>	<u>731</u>	<u>991</u>	<u>5,460</u>	<u>5,643</u>

	Non Pay Expenditure			Total 2017 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2017	<u>3,919</u>	<u>732</u>	<u>992</u>	<u>5,643</u>

Net income/(expenditure) for the year includes:

	2018 £ 000	2017 £ 000
Operating lease rentals	21	20
Depreciation	402	413
Amortisation of intangible fixed assets	4	4
Fees payable to auditor - audit	7	8
Fees payable to auditor - other audit services	<u>2</u>	<u>2</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Charitable activities

	2018 £ 000	2017 £ 000
Direct costs - educational operations	3,526	3,477
Support costs - educational operations	1,779	1,999
	<u>5,305</u>	<u>5,476</u>

	Educational operations £ 000	2018 £ 000	2017 £ 000
Analysis of support costs			
Support staff costs	685	685	900
Depreciation	408	408	413
Premises costs	323	323	319
Other support costs	341	341	345
Governance costs	22	22	22
Total support costs	<u>1,779</u>	<u>1,779</u>	<u>1,999</u>

9 Staff

Staff costs

	2018 £ 000	2017 £ 000
Staff costs during the year were:		
Wages and salaries	2,901	2,923
Social security costs	272	281
Operating costs of defined benefit pension schemes	565	576
	<u>3,738</u>	<u>3,780</u>
Supply staff costs	-	49
Staff restructuring costs	-	90
	<u>3,738</u>	<u>3,919</u>
		2017 £ 000

Staff restructuring costs comprise:

Redundancy payments	<u>90</u>
---------------------	-----------

Staff costs incurred by Castle View Community & Fitness Centre, which were not included in the above figures were wages and salaries £95k (2017: £107k), social security costs £2k (2017: £3k) and operating costs of defined benefit pension scheme £1k (2017: £nil).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017 - £90,000).

Staff numbers

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

	2018 No.	2017 No.
Charitable Activities		
Teachers	44	43
Administration and support	75	70
Management	8	11
	<u>127</u>	<u>124</u>

The average number of persons employed by Castle View Community & Fitness Centre Limited during the year was 24 (2017: 21)

Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	2	3
£70,001 - £80,000	-	1
£120,001 - £130,000	1	-
£140,001 - £150,000	-	1

Key management personnel

The key management personnel of the Academy Trust comprise the Principal and Finance Director (2017: Principal, Vice Principal and Finance Director). The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £218,000 (2017 - £325,000).

10 Related party transactions - Trustees' remuneration and expenses

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

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Related party transactions - Trustees' remuneration and expenses (continued)

J Bridges OBE (Principal):

Remuneration: £120,000 - £125,000 (2017 - £120,000 - £125,000)

Employer's pension contributions: £20,000 - £25,000 (2017 - £20,000 - £25,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £389 (2017 - £1,481) were reimbursed or paid directly to 1 Trustees (2017 - 1).

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

11 Trustees' and officers' insurance

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

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Intangible fixed assets

Group

	Goodwill £ 000	Software £ 000	Total £ 000
Cost			
At 1 September 2017	3	12	15
At 31 August 2018	3	12	15
Amortisation			
At 1 September 2017	-	8	8
Charge for the year	-	4	4
At 31 August 2018	-	12	12
Net book value			
At 31 August 2018	3	-	3
At 31 August 2017	3	4	7

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Intangible fixed assets (continued)

Academy Trust

	Software £ 000	Total £ 000
Cost		
At 1 September 2017	12	12
At 31 August 2018	12	12
Amortisation		
At 1 September 2017	8	8
Charge for the year	4	4
At 31 August 2018	12	12
Net book value		
At 31 August 2018	-	-
At 31 August 2017	4	4

13 Tangible fixed assets

Group

	Long term leasehold property £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer hardware £ 000	Improvements to property £ 000	Total £ 000
Cost						
At 1 September 2017	15,808	1,385	52	1,741	146	19,132
Additions	-	22	-	-	-	22
At 31 August 2018	15,808	1,407	52	1,741	146	19,154
Depreciation						
At 1 September 2017	2,425	1,293	23	1,707	20	5,468
Charge for the year	308	40	14	33	7	402
At 31 August 2018	2,733	1,333	37	1,740	27	5,870
Net book value						
At 31 August 2018	13,075	74	15	1	119	13,284
At 31 August 2017	13,383	92	29	34	126	13,664

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets (continued)

Academy Trust

	Long term leasehold property £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer hardware £ 000	Total £ 000
Cost					
At 1 September 2017	15,808	1,356	52	1,740	18,956
Additions	-	20	-	-	20
At 31 August 2018	15,808	1,376	52	1,740	18,976
Depreciation					
At 1 September 2017	2,425	1,274	23	1,707	5,429
Charge for the year	308	37	14	33	392
At 31 August 2018	2,733	1,311	37	1,740	5,821
Net book value					
At 31 August 2018	13,075	65	15	-	13,155
At 31 August 2017	13,383	82	29	33	13,527

14 Investments

Academy Trust

	Shares in group undertakings £ 000
Cost	
At 1 September 2017	3
At 31 August 2018	3
Provision	
At 1 September 2017	-
At 31 August 2018	-
Net book value	
At 31 August 2018	3

15 Stock

	2018 £ 000	Group 2017 £ 000	2018 £ 000	Academy Trust 2017 £ 000
Uniform	9	15	9	15

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Debtors

	2018	Group	Academy Trust	
	2017	2018	2017	
	£ 000	£ 000	£ 000	£ 000
Trade debtors	8	38	4	2
VAT recoverable	38	27	41	27
Other debtors	-	10	-	3
Prepayments	121	84	121	83
Accrued grant and other income	88	60	87	60
Balances due from related entities	-	-	35	79
	<u>255</u>	<u>219</u>	<u>288</u>	<u>254</u>

17 Creditors: amounts falling due within one year

	2018	Group	Academy Trust	
	2017	2018	2017	
	£ 000	£ 000	£ 000	£ 000
Trade creditors	173	156	173	154
Other taxation and social security	1	2	-	-
Loans	1	-	-	-
Other creditors	183	184	174	175
Accruals	100	34	92	30
Deferred income	15	11	15	11
VAT creditor	-	8	-	-
Pension scheme creditor	55	55	55	55
	<u>528</u>	<u>450</u>	<u>509</u>	<u>425</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Creditors: amounts falling due within one year (continued)

Group

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September 2017	11	13
Resources deferred in the period	15	11
Amounts released from previous periods	<u>(11)</u>	<u>(13)</u>
Deferred income at 31 August 2018	<u>15</u>	<u>11</u>

Deferred income is made up of Devolved Formula Capital relating to the following year.

Academy Trust

	2018 £ 000	2017 £ 000
Deferred income		
Deferred income at 1 September 2017	11	13
Resources deferred in the period	15	11
Amounts released from previous periods	<u>(11)</u>	<u>(13)</u>
Deferred income at 31 August 2018	<u>15</u>	<u>11</u>

Deferred income in the Academy Trust is made up of Devolved Formula Capital relating to the following year.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds

Group

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	3,859	(4,217)	358	-
Other Government grants	-	540	(540)	-	-
	<u>-</u>	<u>4,399</u>	<u>(4,757)</u>	<u>358</u>	<u>-</u>
Restricted fixed asset funds					
Legacy assets	12,775	-	(397)	9	12,387
DfE/ESFA capital grants	47	16	-	-	63
Other capital grants	38	-	-	-	38
GAG capital expenditure	207	-	-	-	207
3G pitch	460	-	-	-	460
	<u>13,527</u>	<u>16</u>	<u>(397)</u>	<u>9</u>	<u>13,155</u>
Restricted pension funds					
Pension reserve	(650)	-	(150)	450	(350)
Other restricted funds					
Endowment fund	1,140	-	-	-	1,140
Total restricted funds	<u>14,017</u>	<u>4,415</u>	<u>(5,304)</u>	<u>817</u>	<u>13,945</u>
Unrestricted funds					
Unrestricted general funds	45	307	(11)	(342)	(1)
3G pitch carpet	48	-	-	-	48
CVCFC	166	105	(145)	-	126
CVCFC pension reserve	(63)	-	-	10	(53)
Endowment fund	158	3	-	(25)	136
Total unrestricted funds	<u>354</u>	<u>415</u>	<u>(156)</u>	<u>(357)</u>	<u>256</u>
Total funds	<u>14,371</u>	<u>4,830</u>	<u>(5,460)</u>	<u>460</u>	<u>14,201</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

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

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	3,948	(4,479)	531	-
Other Government grants	-	21	(21)	-	-
Local Authority grants	-	45	(45)	-	-
Other donations	-	13	(13)	-	-
Other DfE/ESFA grants	28	306	(334)	-	-
	<u>28</u>	<u>4,333</u>	<u>(4,892)</u>	<u>531</u>	<u>-</u>
Restricted fixed asset funds					
Legacy assets	13,161	16	(402)	-	12,775
DfE/ESFA capital grants	47	-	-	-	47
Other capital grants	38	-	-	-	38
GAG capital expenditure	175	-	-	32	207
3G pitch	460	-	-	-	460
	<u>13,881</u>	<u>16</u>	<u>(402)</u>	<u>32</u>	<u>13,527</u>
Restricted pension funds					
Pension reserve	(1,459)	-	(171)	980	(650)
Other restricted funds					
Endowment fund	1,140	-	-	-	1,140
Total restricted funds	<u>13,590</u>	<u>4,349</u>	<u>(5,465)</u>	<u>1,543</u>	<u>14,017</u>
Unrestricted funds					
Unrestricted general funds	239	390	(21)	(563)	45
3G pitch carpet	50	-	(2)	-	48
CVCFC	171	147	(152)	-	166
CVCFC pension reserve	(92)	-	(3)	32	(63)
Endowment fund	156	2	-	-	158
Total unrestricted funds	<u>524</u>	<u>539</u>	<u>(178)</u>	<u>(531)</u>	<u>354</u>
Total funds	<u>14,114</u>	<u>4,888</u>	<u>(5,643)</u>	<u>1,012</u>	<u>14,371</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	7,807	(8,696)	889	-
Other Government grants	-	561	(561)	-	-
Local Authority grants	-	45	(45)	-	-
Other donations	-	13	(13)	-	-
Other DfE/ESFA grants	28	306	(334)	-	-
	<u>28</u>	<u>8,732</u>	<u>(9,649)</u>	<u>889</u>	<u>-</u>
Restricted fixed asset funds					
Legacy assets	13,161	16	(799)	9	12,387
DfE/ESFA capital grants	47	16	-	-	63
Other capital grants	38	-	-	-	38
GAG capital expenditure	175	-	-	32	207
3G pitch	460	-	-	-	460
	<u>13,881</u>	<u>32</u>	<u>(799)</u>	<u>41</u>	<u>13,155</u>
Restricted pension funds					
Pension reserve	(1,459)	-	(321)	1,430	(350)
Other restricted funds					
Endowment fund	<u>1,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,140</u>
Total restricted funds	<u>13,590</u>	<u>8,764</u>	<u>(10,769)</u>	<u>2,360</u>	<u>13,945</u>
Unrestricted funds					
Unrestricted general funds	239	697	(32)	(905)	(1)
3G pitch carpet	50	-	(2)	-	48
CVCFC	171	252	(297)	-	126
CVCFC pension reserve	(92)	-	(3)	42	(53)
Endowment fund	<u>156</u>	<u>5</u>	<u>-</u>	<u>(25)</u>	<u>136</u>
Total unrestricted funds	<u>524</u>	<u>954</u>	<u>(334)</u>	<u>(888)</u>	<u>256</u>
Total funds	<u>14,114</u>	<u>9,718</u>	<u>(11,103)</u>	<u>1,472</u>	<u>14,201</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust.

Other DfE/ESFA grants, Local Authority grants and other donations include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Unrestricted funds can be used for any purpose at the discretion of the Academy.

The transfer made from unrestricted funds to the restricted fixed asset fund represents the level of unrestricted funds used to purchase capital assets in the year.

The endowment funds represent funds provided by the Academy's sponsors. Any return on this funding is earmarked for investment in educational activities.

19 Analysis of net assets between funds

Group

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Intangible assets	3	-	-	-	3
Fixed assets	129	-	13,155	-	13,284
Current assets	705	-	-	1,140	1,845
Current liabilities	(528)	-	-	-	(528)
Pension scheme liability	(53)	(350)	-	-	(403)
	<u>256</u>	<u>(350)</u>	<u>13,155</u>	<u>1,140</u>	<u>14,201</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Intangible assets	4	-	-	-	4
Fixed assets	136	-	13,527	-	13,663
Current assets	727	-	-	1,140	1,867
Current liabilities	(450)	-	-	-	(450)
Pension scheme liability	(63)	(650)	-	-	(713)
	<u>354</u>	<u>(650)</u>	<u>13,527</u>	<u>1,140</u>	<u>14,371</u>

Academy Trust

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Fixed assets	-	-	13,155	-	13,155
Investments	3	-	-	-	3
Current assets	657	-	-	1,140	1,797
Current liabilities	(509)	-	-	-	(509)
Pension liability	-	(350)	-	-	(350)
	<u>151</u>	<u>(350)</u>	<u>13,155</u>	<u>1,140</u>	<u>14,096</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Intangible assets	4	-	-	-	4
Fixed assets	-	-	13,527	-	13,527
Investments	3	-	-	-	3
Current assets	669	-	-	1,140	1,809
Current liabilities	(425)	-	-	-	(425)
Pension liability	-	(650)	-	-	(650)
	<u>251</u>	<u>(650)</u>	<u>13,527</u>	<u>1,140</u>	<u>14,268</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Commitments under operating leases

Group

Operating leases - group

At 31 August 2018 the Group had annual commitments under non-cancellable operating leases as follows:

	2018 £ 000	2017 £ 000
Amounts due within one year	14	21
Amounts due between one and five years	14	28
	<u>28</u>	<u>49</u>

Academy Trust

Operating leases - company

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £ 000	2017 £ 000
Amounts due within one year	14	21
Amounts due between one and five years	14	28
	<u>28</u>	<u>49</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

21 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	Note	2018 £ 000	2017 £ 000
Net expenditure		(630)	(755)
Amortisation	7	4	4
Depreciation	7	402	413
Capital grants from DfE and other capital income		(16)	(16)
Interest receivable	6	(3)	(2)
Defined benefit pension scheme cost less contributions payable	26	129	141
Defined benefit pension scheme finance cost	26	21	32
Decrease in stocks		6	15
(Increase)/decrease in debtors		(37)	130
Increase/(decrease) in creditors		78	(75)
Net cash used in Operating Activities		<u>(46)</u>	<u>(113)</u>

22 Cash flows from financing activities

	2018 £ 000	2017 £ 000
Dividends, interest and rent from investments	<u>3</u>	<u>2</u>
Net cash provided by financing activities	<u>3</u>	<u>2</u>

23 Cash flows from investing activities

	2018 £ 000	2017 £ 000
Purchase of tangible fixed assets	(22)	(57)
Capital funding received from sponsors and others	16	16
(Increase)/decrease in fixed term deposits	-	1,074
Net cash (used in)/provided by investing activities	<u>(6)</u>	<u>1,033</u>

24 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>1,581</u>	<u>1,630</u>
Total cash and cash equivalents	<u>1,581</u>	<u>1,630</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Members' liability

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

26 Pension and similar obligations

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

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

Contributions amounting to £54,844 (2017 - £55,000) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £322,290 (2017 - £360,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £113,000 (2017 - £160,000), of which employer's contributions totalled £113,000 (2017 - £110,000) and employees' contributions totalled £Nil (2017 - £50,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Local government pension schemes

Group

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.00	2.00
RPI increases	3.10	3.10

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

	2018	2017
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	26.40	26.30
Retiring in 20 years		
Males retiring in 20 years	25.10	25.00
Females retiring in 20 years	<u>28.70</u>	<u>28.60</u>
Sensitivity analysis		
	At 31 August 2018	At 31 August 2017
	£000	£000
Discount rate +0.1%	4,429	43,640
Discount rate -0.1%	4,639	4,574
Mortality assumption – 1 year increase	4,656	4,335
Mortality assumption – 1 year decrease	4,411	4,603
CPI rate +0.1%	4,564	4,499
CPI rate -0.1%	<u>4,504</u>	<u>4,399</u>

The Academy's share of the assets in the scheme were:

	2018	2017
	£ 000	£ 000
Equities	2,788	2,482
Corporate bonds	463	432
Government bonds	165	147
Property	351	338
Cash and other liquid assets	91	147
Other	<u>273</u>	<u>210</u>
Total market value of assets	<u>4,131</u>	<u>3,756</u>

The actual return on scheme assets was £254,000 (2017 - £439,000).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	250	251
Total amount recognised in the SOFA	250	251

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

	2018 £ 000	2017 £ 000
At start of period	4,469	4,719
Current service cost	250	251
Interest cost	113	93
Employee contributions	50	50
Actuarial (gain)/loss	(298)	(634)
Benefits paid	(50)	(10)
At 31 August	4,534	4,469

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

	2018 £ 000	2017 £ 000
At start of period	3,756	3,167
Interest income	92	61
Actuarial gain/(loss)	162	378
Employer contributions	121	110
Employee contributions	50	50
Benefits paid	(50)	(10)
At 31 August	4,131	3,756

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Academy Trust

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.10</u>	<u>3.10</u>

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

	2018	2017
Retiring today		
Males retiring today	22.90	22.80
Females retiring today	26.40	26.30
Retiring in 20 years		
Males retiring in 20 years	25.10	25.00
Females retiring in 20 years	<u>28.70</u>	<u>28.60</u>

Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	4,310	4,240
Discount rate -0.1%	4,510	4,440
Mortality assumption – 1 year increase	4,290	4,470
Mortality assumption – 1 year decrease	4,530	4,210
CPI rate +0.1%	4,448	4,410
CPI rate -0.1%	<u>4,340</u>	<u>4,270</u>

The Academy's share of the assets in the scheme were:

	2018 £ 000	2017 £ 000
Equities	2,741	2,491
Corporate bonds	455	413
Government bonds	162	148
Property	345	314
Cash and other liquid assets	89	81
Other	<u>268</u>	<u>244</u>
Total market value of assets	<u>4,060</u>	<u>3,691</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

The actual return on scheme assets was £250,000 (2017 - £430,000).

Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	250	250
Total amount recognised in the SOFA	250	250

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

	2018 £ 000	2017 £ 000
At start of period	4,340	4,570
Current service cost	250	250
Interest cost	110	90
Employee contributions	50	50
Actuarial (gain)/loss	(290)	(610)
Benefits paid	(50)	(10)
At 31 August	4,410	4,340

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

	2018 £ 000	2017 £ 000
At start of period	3,690	3,110
Interest income	90	60
Actuarial gain/(loss)	160	370
Employer contributions	120	110
Employee contributions	50	50
Benefits paid	(50)	(10)
At 31 August	4,060	3,690

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £163,000 (2017 - £50,000), of which employer's contributions totalled £50,000 (2017 - £50,000) and employees' contributions totalled £113,000 (2017 - £Nil). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by South Tyneside Council.

27 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Related party transactions (continued)

Expenditure related party transactions

During the year the Academy made the following related party transactions:

Sunderland City Council (and subsidiary undertakings)

(Sunderland City Council is an original sponsor of the Academy Trust)

During the year, the Group purchased goods and services totalling £257,677 (2017: 259,749), and made sales totalling £nil (2017: £19,637).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and Sunderland City Council (and subsidiary undertakings) has provided a statement of assurance confirming this.

At the balance sheet date the amount due (to)/from Sunderland City Council (and subsidiary undertakings) was (£43,737) (2017 - £44,941).

Northumbrian Water Plc

(Northumbrian Water Plc is an original sponsor of the Academy Trust)

During the year, the group purchased goods and services totalling £28,000 from the company (2017: £17,024).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and Northumbrian Water Plc has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Northumbrian Water Plc was £Nil (2017 - £Nil).