

CASTLE VIEW ENTERPRISE ACADEMY

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2020

Castle View Enterprise Academy

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Castle View Enterprise Academy

Reference and Administrative Details

Members	H Mottram CBE L Hunter MBE M Parker
Trustees (Directors)	L Hunter MBE L Perry (resigned 10 February 2020) J Bridges OBE B Gubbins CBE A Radcliffe R Koglbauer-Franklin A Young K McLaughlin C Leighton, Vice Chair H Mottram CBE, Chair M Wooler R Hutton D Wooff (resigned 20 January 2020) D Ross (appointed 27 March 2020) Dr E Leonard-Cross (appointed 5 October 2020)
Company Secretary	P Smith
Senior Management Team	J Bridges OBE, Principal J Owens, Vice Principal A Payne, Vice Principal M Ruddick, Vice Principal A Marshall, Vice Principal E McDermott, Assistant Vice Principal G Woollett, Assistant Vice Principal P Smith, Finance Director
Principal and Registered Office	Castle View Enterprise Academy Cartwright Road Sunderland SR5 3DX
Company Name	Castle View Enterprise Academy
Company Registration Number	06268570
Auditors	MHA Tait Walker 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

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Trustees' Report for the Year Ended 31 August 2020

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 1050 and had a roll of 922 in the school census in October 2019.

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 2020 (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, four Vice Principals and two Assistant Vice Principals. These managers, together with the Finance Director, 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	2
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£7,000
Total pay bill	£4,570,000
Percentage of the total pay bill spend on facility time	0.2%

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 Governance' approved by the Secretary of State for Education. The Scheme of Governance 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.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2020 (continued)

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.

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

Centre Assessed Grades – 2020 results

The 2020 results were calculated using the higher of the Centre Assessed Grade (CAG) or the Ofqual statistical model outcome for each student. CVEA undertook a robust quality assurance program based on the Ofqual criteria to generate their CAG's.

When compared to national CAG's, CVEA would have built on our improving results trend since the 2018 exam results with our 2020 cohort.

This would have been reflected in all of the headline figures, with a significant increase in the English Baccalaureate measure with over 65% of our students entered compared to 11% in 2019.

Overall Progress 8, when compared to national CAG's, would have gone from -0.62 (2018), -0.28 (2019), to -0.07 (2020) a significant improvement over time for the Academy.

Outstanding student performance 2020

JL: nine grade 9's, two grade 8's

JM: six grade 9's, four grade 8's, one grade 7

TRF: six grade 9's, two grade 8's and two grade 7's

KS: three grade 9's, five grade 8's

LF: one grade 9, one grade 8, three grade 7's, one grade 6, two grade five's.

Castle View Enterprise Academy

Trustees' Report for the Year Ended 31 August 2020 (continued)

Since March 2020 the Academy has been impacted by COVID-19 control measures. These led to the closure of the Academy in late March with all students being provided with work either on-line or paper-based to carry out at home. Staff monitored the completion of this work through on-line systems and students were contacted at least once per week to help identify issues with work and to identify any welfare issues. Late in the summer term Year 10 students returned on a part-time basis using a rota system, allowing a more formal structuring of work and assessment of their progress over the closure. The Academy believes that, although students were not receiving face to face teaching over this period, the steps taken to continue their learning were substantial and as effective as could be expected in the circumstances.

Castle View Enterprise Academy receives additional funding, in the form of Pupil Premium, for those students who are eligible. The funding allocated each year and that received by the Academy is:

DfE Financial Year (Ending 31st March)	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	355.2	42%	£935	£335,425
2019-2020	363	39%	£955	£346,665
2020-2021 (indicative)	352.5	39%	£955	£336,637

	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	£315,470
2018-2019	£332,098
2019-2020	£355,709

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Trustees' Report for the Year Ended 31 August 2020 (continued)

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. This programme has been severely curtailed due to the impact of COVID-19.

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 its 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
- 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 2020 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.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

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 2020, total expenditure of £6,028,000 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 £551,000.

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

At 31 August 2020 the net book value of fixed assets was £12,657,000 and movements in tangible fixed assets are shown in note 13 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 £2,287,000 recognised on the balance sheet.

The academy held free reserves at 31 August 2020 of £220,000 which is comprised of £192,000 of unrestricted funds and £28,000 of restricted 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.

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 £409,000.

This is considered sufficient to cover:

1. One month's payroll costs and
2. One month's payments to suppliers

At 31 August 2020 actual reserves fall short of this policy by £189,000.

The Governors are continuing steps to reduce costs relative to student numbers within the Academy in 2019/20, 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.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

Investment Policy

During the year the Governors of the Academy made the decision to invest the Trust's Endowment Fund into a mixed portfolio of assets. After an extensive selection process the Governors appointed Brewin Dolphin to manage the investment. The financial objective of the investment is to at least maintain the long term real value of the assets whilst generating a growing income stream to assist in supporting the Academy's educational and such other charitable purposes, whilst maintaining an acceptable level of risk. Other cash is held in accounts through the Trust's bankers.

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, has benefited the academy trust through an increase in the grant income per student. Currently this will be the position for the financial years 2018/19 to 2020/21. It is expected that, as the Local Authority align their formula more closely with the National Funding Formula, the Academy will benefit further, however this will be dependent on the Local Authority continuing their move towards the National Funding Formula.

Further, the Academy currently receives Teachers' Pay Grant and Teachers' Pension Grant. The DfE have stated that the value of these grants will continue past 2020/21, but as part of the GAG funding. There is a risk that the method of allocation used to amend the GAG funding will not be as favourable to the Academy and will result in a fall in real terms income in the future.

The Academy currently received funding from the Local Authority Growth Fund, to assist the Academy in increasing student numbers as a result of significant demand for Secondary places in the North of Sunderland. This funding is scheduled to continue for a further three years, however there is a risk that the funding will not be provided if the demand for places in the areas reduces or other schools undertake their own expansion.

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 Academy is subject to substantial risks from the impact of the COVID-19 pandemic, which could affect the results of the Year 11 and Year 10 students sitting GCSE's in June 2021 and June 2022 where their learning is compromised as a result of time away from school due to lockdown and self isolation. In addition, the Academy could be at risk from additional costs – if teachers need to self-isolate or are quarantined with the virus it may be necessary to hire supply staff to cover classes, and also in areas such as additional cleaning and the purchase of PPE.

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 is following the Department for Education's guidance and working with local public health bodies to implement a safe regime for the students and staff during the COVID-19 pandemic. This involves the use of PPE and additional sanitisation procedures, social distancing within the building and the maintenance of year-group "bubbles" to minimise the effects of any infection.

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Trustees' Report for the Year Ended 31 August 2020 (continued)

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.

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
- 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

The Academy Management Team have implemented substantial measures to protect students and staff from COVID-19 following the return to school in September 2020, including additional cleaning and the provision of hand sanitiser throughout the Academy, the creation of year-group bubbles to minimise the mixing of students, adjustment to the timetable to reduce periods when students are liable to mix widely and the adoption of separate lunch sittings for each year group. To ensure that all students can access the best possible teaching we have developed live, on-line teaching for students that are self-isolating, thereby allowing these students to maintain their progress along with their peers. The Academy management and staff will continue to adapt to the development of the pandemic to ensure that student learning is impacted as little as possible.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

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Trustees' Report for the Year Ended 31 August 2020 (continued)

- 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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 4/2/2020 and signed on its behalf by:


.....
H Mottram CBE
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 CBE, Chair	5	5
C E Leighton, Vice Chair	2	5
J S Bridges OBE, Principal and Accounting Officer	5	5
B J Gubbins	3	5
L Hunter MBE	3	5
R Hutton	3	5
R Koglbauer-Franklin	3	5
K McLaughlin	4	5
A E Radcliffe	4	5
M Wooler	5	5
A Young	2	5
D Ross (Appointed 27 March 2020)	2	2
D Wooff (Resigned 20 January 2020)	1	1
L Perry (Resigned 10 February 2020)	2	2

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 two members of the lead sponsor Northumbrian Water Limited, two education specialists from local Universities, four from business, two from an education background and two Community Governors.

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Governance Statement (continued)

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.

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.

The Finance, Audit and General Purposes Committee meets 3 times per year, separately to the Full Board meetings. The Committee will scrutinise financial reports and management information for the Trust, question the Finance Director and request any further information that it requires. The committee then reports back to the Board at the next meeting, where the financial position and financial management of the Trust can be discussed. The Board believes that this structure meets their responsibilities to ensure robust and effective financial management.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J S Bridges OBE, Principal and Accounting Officer	3	3
C E Leighton, Vice Chair	3	3
L Hunter MBE	2	3
R Hutton	2	3

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 continue to increase the student intake in September 2020, following the increase in the previous three years, 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.

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Governance Statement (continued)

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.

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 2019 to 31 August 2020 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 2019 to 31 August 2020 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

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Governance Statement (continued)

- 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
- 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 previous year, restricting the work carried out, and the Governors have now appointed a replacement, Joseph Leese FCPFA.

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:

- Payroll
- ESFA, DFE & Local Authority Income
- Cash Income
- Petty Cash, Expenses & Debit/Credit Card expenditure
- Purchases and Payments
- ESFA Compliance
- Trading and Other Income
- Bank and Cash Management
- Fixed Assets
- Financial Management and Segregation of Duties
- Month End Procedures

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 and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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Governance Statement (continued)

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 work of the internal auditor;
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the 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 4/12/2020 and signed on its behalf by:



H Mottram CBE
Trustee

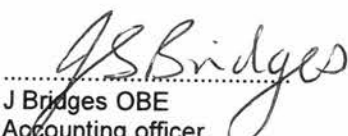
Castle View Enterprise Academy

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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


J Bridges OBE
Accounting officer

Date: 4/12/2020

Castle View Enterprise Academy

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

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

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

Approved by order of the members of the Board on 4/12/20 and signed on its behalf by:


J Bridges OBE
Trustee


H Mottram CBE
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 2020, 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', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent academy trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

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 (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 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 18, 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.

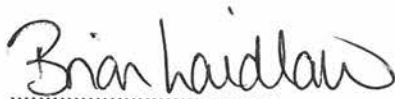
Castle View Enterprise Academy

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

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

Use of our report

This report is made solely to the 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.



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

Date: 21st January 2021

Castle View Enterprise Academy

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

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Board of Trustees's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 25 May 2007 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

Castle View Enterprise Academy

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

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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.

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *21st January 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

Castle View Enterprise Academy

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Endowment Fund £ 000	Total 2020 £ 000
Income and endowments from:						
Donations and capital grants	3	-	-	17	-	17
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	-	5,389	-	-	5,389
Other trading activities	5	66	-	-	-	66
Investments	6	5	-	-	-	5
Total		71	5,389	17	-	5,477
Expenditure on:						
Raising funds	7	97	-	-	-	97
<i>Charitable activities:</i>						
Academy trust educational operations		10	5,565	356	-	5,931
Total		107	5,565	356	-	6,028
Net expenditure		(36)	(176)	(339)	-	(551)
Transfers between funds		(50)	(35)	35	50	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	26	(30)	(642)	-	-	(672)
Net movement in (deficit)/funds		(116)	(853)	(304)	50	(1,223)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		308	(1,280)	12,854	1,140	13,022
Total funds/(deficit) carried forward at 31 August 2020		192	(2,133)	12,550	1,190	11,799

Castle View Enterprise Academy

Consolidated Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Other Funds £ 000	Total 2019 £ 000
Income and endowments from:						
Donations and capital grants	3	-	-	54	-	54
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	4	-	4,664	-	-	4,664
Other trading activities	5	373	-	-	-	373
Investments	6	9	-	-	-	9
Total		382	4,664	54	-	5,100
Expenditure on:						
Raising funds	7	91	7	-	-	98
<i>Charitable activities:</i>						
Academy trust educational operations		10	5,053	355	-	5,418
Total		101	5,060	355	-	5,516
Net income/(expenditure)		281	(396)	(301)	-	(416)
Transfers between funds		(186)	186	-	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	26	(43)	(720)	-	-	(763)
Net movement in funds/(deficit)		52	(930)	(301)	-	(1,179)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		256	(350)	13,155	1,140	14,201
Total funds/(deficit) carried forward at 31 August 2019		308	(1,280)	12,854	1,140	13,022


Castle View Enterprise Academy


(Registration number: 06268570)

Consolidated Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	12	3	3
Tangible assets	13	12,657	12,971
Investments	14	1,190	-
		<u>13,850</u>	<u>12,974</u>
Current assets			
Stocks	15	11	6
Debtors	16	229	219
Cash at bank and in hand		635	1,619
		<u>875</u>	<u>1,844</u>
Creditors: Amounts falling due within one year	17	<u>(639)</u>	<u>(420)</u>
Net current assets		<u>236</u>	<u>1,424</u>
Total assets less current liabilities		<u>14,086</u>	<u>14,398</u>
Net assets excluding pension liability		14,086	14,398
Pension scheme liability	26	<u>(2,287)</u>	<u>(1,376)</u>
Net assets including pension liability		<u>11,799</u>	<u>13,022</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	18	28	-
Restricted fixed asset fund	18	12,550	12,854
Restricted pension fund	18	(2,161)	(1,280)
Endowment fund	18	1,190	1,140
		<u>11,607</u>	<u>12,714</u>
Unrestricted funds			
Unrestricted income fund	18	<u>192</u>	<u>308</u>
Total funds		<u>11,799</u>	<u>13,022</u>

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue on 11/2/20 and signed on their behalf by:


J Bridges OBE
Trustee


H Mottram CBE
Trustee


Castle View Enterprise Academy

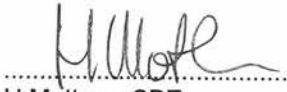
(Registration number: 06268570)

Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	13	12,550	12,854
Investments	14	1,193	3
		<u>13,743</u>	<u>12,857</u>
Current assets			
Stocks	15	11	6
Debtors	16	261	267
Cash at bank and in hand		563	1,522
		<u>835</u>	<u>1,795</u>
Creditors: Amounts falling due within one year	17	(619)	(404)
Net current assets		<u>216</u>	<u>1,391</u>
Total assets less current liabilities		<u>13,959</u>	<u>14,248</u>
Net assets excluding pension liability		13,959	14,248
Pension scheme liability	26	(2,161)	(1,280)
Net assets including pension liability		<u>11,798</u>	<u>12,968</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	18	28	-
Restricted fixed asset fund	18	12,550	12,854
Restricted pension fund	18	(2,161)	(1,280)
Endowment fund	18	1,190	1,140
		<u>11,607</u>	<u>12,714</u>
Unrestricted funds			
Unrestricted income fund	18	191	254
Total funds		<u>11,798</u>	<u>12,968</u>

The financial statements were approved by the Trustees, and authorised for issue on 4/12/20 and signed on their behalf by:


J Bridges OBE
Trustee


H Mottram CBE
Trustee

Castle View Enterprise Academy

Consolidated Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	233	29
Cash flows from investing activities	22	<u>(1,217)</u>	<u>9</u>
Change in cash and cash equivalents in the year		(984)	38
Cash and cash equivalents at 1 September		<u>1,619</u>	<u>1,581</u>
Cash and cash equivalents at 31 August	23	<u><u>635</u></u>	<u><u>1,619</u></u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020

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 2019 (FRS 102)), the Academies Accounts Direction 2019 to 2020 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 academy trust is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The academy trust made a surplus/(deficit) of £(1,168,000) (2019 - £(382,000)).

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.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Grants

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

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

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

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.

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.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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

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 and equipment	5 years straight line
Computer equipment	3 years straight line

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

Investments are stated at their fair value, which is taken to equal the closing mid-market value as at 31 August 2020. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

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 charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised 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 charity'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.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 Education Skills and Funding Agency and 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.

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.

Local Government 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 2020. 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 company 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 £363,000 (2019 - £367,000).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 trust 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 2020 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 2020.

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Capital grants	-	-	17	17	54
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	-	-	54	54	

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	4,493	-	4,493	4,104
Other ESFA Group grants	-	668	-	668	560
	-	5,161	-	5,161	4,664
Other government grants					
Other Government grants	-	170	-	170	-
Non-government grants and other income					
Other income from the academy trusts educational operations	-	58	-	58	-
Total grants	-	5,389	-	5,389	4,664
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	-	4,664	-	4,664	

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Hire of facilities	47	-	-	47	-
Catering income	156	-	-	156	211
Other sales	(219)	-	-	(219)	48
Subsidiary income	82	-	-	82	114
	<u>66</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>373</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>373</u>	<u>-</u>	<u>-</u>	<u>373</u>	

During the previous period it was brought to the attention of a potential underpayment of VAT and corporation tax. An initial provision of £45,937. In the current year, the potential quantum was revised to a total of £241,385 in respect of underpaid VAT and £23,137 in respect of underpaid corporation tax. These amounts have been recognised within creditors. This has resulted in a current year reduction to income of £218,585.

6 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>9</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>	

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	-	-	97	97	98
Academy's educational operations					
Direct costs	3,663	-	383	4,046	3,724
Allocated support costs	921	683	281	1,885	1,694
	<u>4,584</u>	<u>683</u>	<u>761</u>	<u>6,028</u>	<u>5,516</u>

	Non Pay Expenditure			Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2019	<u>3,935</u>	<u>671</u>	<u>910</u>	<u>5,516</u>

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	16	14
Depreciation	363	366
Fees payable to auditor - audit	7	7
Fees payable to auditor - other audit services	<u>5</u>	<u>4</u>

8 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	4,046	3,724
Support costs - educational operations	<u>1,885</u>	<u>1,694</u>
	<u>5,931</u>	<u>5,418</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Charitable activities (continued)

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	921	921	670
Depreciation	362	362	365
Premises costs	321	321	306
Legal costs	13	13	15
Other support costs	260	260	331
Governance costs	8	8	7
Total support costs	1,885	1,885	1,694

9 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	3,337	2,962
Social security costs	328	282
Operating costs of defined benefit pension schemes	905	657
	4,570	3,901
Supply staff costs	14	28
Staff restructuring costs	-	6
	4,584	3,935
	2020 £ 000	2019 £ 000
Staff restructuring costs comprise:		
Severance payments	-	6

The subsidiary undertaking incurred total staff costs of £41,000 (2019 – £41,000).

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers	51	46
Administration and support	61	70
Management	9	9
	121	125

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Staff (continued)

The average number of persons employed by Castle View Community & Fitness Centre Limited during the year was 14 (2019: 10)

Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	5	4
£140,001 - £150,000	-	1
£170,001 - £180,000	1	-

Key management personnel

The key management personnel of the Academy Trust comprise the Principal and Finance Director (2019: 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 £290,000 (2019 - £245,000).

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:

J Bridges OBE (Principal):

Remuneration: £170,000 - £175,000 (2019 - £145,000 - £150,000)

Employer's pension contributions: £40,000 - £45,000 (2019 - £20,000 - £25,000)

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

11 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of the Trustees and officers insurance is included within the total cost of the insurance and cannot be separately identified. The total cost for the year ended 31 August 2020 was £22,138 (2019 - £21,605).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Intangible fixed assets

Group

	Goodwill £ 000	Software £ 000	Total £ 000
Cost			
At 1 September 2019	3	12	15
At 31 August 2020	3	12	15
Amortisation			
At 1 September 2019	-	12	12
At 31 August 2020	-	12	12
Net book value			
At 31 August 2020	3	-	3
At 31 August 2019	3	-	3

Academy Trust

	Software £ 000	Total £ 000
Cost		
At 1 September 2019	12	12
At 31 August 2020	12	12
Amortisation		
At 1 September 2019	12	12
At 31 August 2020	12	12
Net book value		
At 31 August 2020	-	-
At 31 August 2019	-	-

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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 2019	15,808	1,410	52	1,792	146	19,208
Additions	21	9	-	23	-	53
Disposals	(5)	-	-	-	-	(5)
At 31 August 2020	<u>15,824</u>	<u>1,419</u>	<u>52</u>	<u>1,815</u>	<u>146</u>	<u>19,256</u>
Depreciation						
At 1 September 2019	3,043	1,372	43	1,744	35	6,237
Charge for the year	310	18	7	21	7	363
Eliminated on disposals	(1)	-	-	-	-	(1)
At 31 August 2020	<u>3,352</u>	<u>1,390</u>	<u>50</u>	<u>1,765</u>	<u>42</u>	<u>6,599</u>
Net book value						
At 31 August 2020	<u>12,472</u>	<u>29</u>	<u>2</u>	<u>50</u>	<u>104</u>	<u>12,657</u>
At 31 August 2019	<u>12,765</u>	<u>38</u>	<u>9</u>	<u>48</u>	<u>111</u>	<u>12,971</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (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 2019	15,808	1,379	52	1,791	19,030
Additions	21	9	-	23	53
Disposals	(5)	-	-	-	(5)
At 31 August 2020	15,824	1,388	52	1,814	19,078
Depreciation					
At 1 September 2019	3,043	1,347	43	1,743	6,176
Charge for the year	310	15	7	21	353
Eliminated on disposals	(1)	-	-	-	(1)
At 31 August 2020	3,352	1,362	50	1,764	6,528
Net book value					
At 31 August 2020	12,472	26	2	50	12,550
At 31 August 2019	12,765	32	9	48	12,854

14 Investments

Group

	Shares £ 000
Cost	
Additions	1,190
At 31 August 2020	1,190
Provision	
At 31 August 2020	-
Net book value	
At 31 August 2020	1,190

At the year end, the following investments represented more than 5% of the total value of the investment portfolio:

ARTEMIS FD MNGRS US SELECT INSTL GBP INC - £70,559 (2019 - £nil).
 BAILLIE GIFFORD AMERICAN W1 DIS - £80,740 (2019 - £nil).
 ISHARES CORE S&P 500 UCITS ETF USD - £104,410 (2019 - £nil).
 BLACKROCK FM LTD EUROPEAN DYNAMIC FD INC - £71,298 (2019 - £nil).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Investments (continued)

Academy Trust

	Shares in group undertakings £ 000	Shares £ 000	Total £ 000
Cost			
At 1 September 2019	3	-	3
Additions	-	1,190	1,190
At 31 August 2020	3	1,190	1,193
Provision			
At 31 August 2020	-	-	-
Net book value			
At 31 August 2020	3	1,190	1,193

The Academy Trust owns 100% of the ordinary shares of Castle View Community and Fitness Centre Limited, a company incorporated in England and Wales. The principal activity of the company is operation of sports and leisure facilities which are available for the use of the Academy Trust and the local community. Turnover for the year ended 31 August 2020 was £92,000, expenditure was £137,000 and the profit/(loss) for the year was (£45,000). The assets of the company at 31 August 2020 were £187,000, liabilities were £291,000 and capital and reserves were (£104,000).

The registered office of Castle View Community and Fitness Centre Limited is:
Castle View Enterprise Academy
Cartwright Road
Sunderland
SR5 3DX

At the year end, the following investments represented more than 5% of the total value of the investment portfolio:

ARTEMIS FD MNGRS US SELECT INSTL GBP INC - £70,559 (2019 - £nil).
BAILLIE GIFFORD AMERICAN W1 DIS - £80,740 (2019 - £nil).
ISHARES CORE S&P 500 UCITS ETF USD - £104,410 (2019 - £nil).
BLACKROCK FM LTD EUROPEAN DYNAMIC FD INC - £71,298 (2019 - £nil).

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15 Stock

	2020	Group	Academy Trust
	2019	2020	2019
	£ 000	£ 000	£ 000
Uniform	11	6	11
			6

16 Debtors

	2020	Group	Academy Trust
	2019	2020	2019
	£ 000	£ 000	£ 000
Trade debtors	2	7	3
VAT recoverable	-	2	6
Other debtors	-	7	6
Prepayments	155	116	116
Accrued grant and other income	72	87	86
Balances due from related entities	-	-	41
	229	219	261
			267

17 Creditors: amounts falling due within one year

	2020	Group	Academy Trust
	2019	2020	2019
	£ 000	£ 000	£ 000
Trade creditors	178	185	173
Other creditors	34	31	31
Accruals	115	134	104
Deferred income	11	10	11
VAT creditor	188	-	188
Pension scheme creditor	90	60	89
Tax payable	23	-	23
	639	420	619
			404

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

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

Group

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	10	15
Resources deferred in the period	11	10
Amounts released from previous periods	<u>(10)</u>	<u>(15)</u>
Deferred income at 31 August 2020	<u>11</u>	<u>10</u>

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

Academy Trust

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	10	15
Resources deferred in the period	11	10
Amounts released from previous periods	<u>(10)</u>	<u>(15)</u>
Deferred income at 31 August 2020	<u>11</u>	<u>10</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 2020 (continued)

18 Funds

Group

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	4,493	(4,430)	(35)	28
Other Government grants	-	170	(170)	-	-
Other income	-	57	(57)	-	-
Other DfE/ESFA grants	-	669	(669)	-	-
	-	5,389	(5,326)	(35)	28
Restricted fixed asset funds					
Legacy assets	12,032	-	(298)	218	11,952
DfE/ESFA capital grants	117	17	(30)	(36)	68
Other capital grants	38	-	(1)	18	55
GAG capital expenditure	207	-	(12)	(184)	11
3G pitch	460	-	(15)	19	464
	12,854	17	(356)	35	12,550
Restricted pension funds					
Pension reserve	(1,280)	-	(239)	(642)	(2,161)
Other restricted funds					
Endowment fund	1,140	-	-	50	1,190
Total restricted funds	12,714	5,406	(5,921)	(592)	11,607
Unrestricted funds					
Unrestricted general funds	59	(16)	-	5	48
3G pitch carpet	48	-	-	-	48
CVCFC	152	82	(107)	-	127
CVCFC pension reserve	(96)	-	-	(30)	(126)
Endowment fund	145	5	-	(55)	95
Total unrestricted funds	308	71	(107)	(80)	192
Total funds	13,022	5,477	(6,028)	(672)	11,799

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	4,104	(4,290)	186	-
Other Government grants	-	560	(560)	-	-
	-	4,664	(4,850)	186	-
Restricted fixed asset funds					
Legacy assets	12,387	-	(355)	-	12,032
DfE/ESFA capital grants	63	54	-	-	117
Other capital grants	38	-	-	-	38
GAG capital expenditure	207	-	-	-	207
3G pitch	460	-	-	-	460
	13,155	54	(355)	-	12,854
Restricted pension funds					
Pension reserve	(350)	-	(210)	(720)	(1,280)
Other restricted funds					
Endowment fund	1,140	-	-	-	1,140
Total restricted funds	13,945	4,718	(5,415)	(534)	12,714
Unrestricted funds					
Unrestricted general funds	(1)	259	(13)	(186)	59
3G pitch carpet	48	-	-	-	48
CVCFC	126	114	(88)	-	152
CVCFC pension reserve	(53)	-	-	(43)	(96)
Endowment fund	136	9	-	-	145
Total unrestricted funds	256	382	(101)	(229)	308
Total funds	14,201	5,100	(5,516)	(763)	13,022

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (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, business rates grant, teachers' pay grant and teachers' pension 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

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Intangible assets	3	-	-	-	3
Fixed assets	107	-	12,550	-	12,657
Investments	-	-	-	1,190	1,190
Current assets	847	28	-	-	875
Current liabilities	(639)	-	-	-	(639)
Pension scheme liability	(126)	(2,161)	-	-	(2,287)
	<u>192</u>	<u>(2,133)</u>	<u>12,550</u>	<u>1,190</u>	<u>11,799</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (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	3	-	-	-	3
Fixed assets	117	-	12,854	-	12,971
Current assets	704	-	-	1,140	1,844
Current liabilities	(420)	-	-	-	(420)
Pension scheme liability	(96)	(1,280)	-	-	(1,376)
	<u>308</u>	<u>(1,280)</u>	<u>12,854</u>	<u>1,140</u>	<u>13,022</u>

Academy Trust

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Endowment funds £ 000	Total £ 000
Fixed assets	-	-	12,550	-	12,550
Investments	3	-	-	1,190	1,193
Current assets	807	28	-	-	835
Current liabilities	(619)	-	-	-	(619)
Pension liability	-	(2,161)	-	-	(2,161)
	<u>191</u>	<u>(2,133)</u>	<u>12,550</u>	<u>1,190</u>	<u>11,798</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
Fixed assets	-	-	12,854	-	12,854
Investments	3	-	-	-	3
Current assets	655	-	-	1,140	1,795
Current liabilities	(404)	-	-	-	(404)
Pension liability	-	(1,280)	-	-	(1,280)
	<u>254</u>	<u>(1,280)</u>	<u>12,854</u>	<u>1,140</u>	<u>12,968</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Commitments under operating leases

Group

Operating leases - group

At 31 August 2020 the group had annual commitments under non-cancellable operating leases as follows:

	2020 £ 000	2019 £ 000
Amounts due within one year	16	16
Amounts due between one and five years	32	46
	<u>48</u>	<u>62</u>

Academy Trust

Operating leases - company

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £ 000	2019 £ 000
Amounts due within one year	16	16
Amounts due between one and five years	32	46
	<u>48</u>	<u>62</u>

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

	Note	2020 £ 000	2019 £ 000
Net expenditure		(551)	(416)
Depreciation	7	363	367
Capital grants from DfE and other capital income		(17)	(54)
Interest receivable	6	(5)	(9)
Defined benefit pension scheme cost less contributions payable	26	213	209
Defined benefit pension scheme finance cost	26	26	1
(Increase)/decrease in stocks		(5)	3
(Increase)/decrease in debtors		(10)	36
Increase/(decrease) in creditors		219	(108)
Net cash provided by Operating Activities		<u>233</u>	<u>29</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	5	9
Purchase of tangible fixed assets	(53)	(54)
Proceeds from sale of tangible fixed assets	4	-
Purchase of investments	(1,190)	-
Capital funding received from sponsors and others	17	54
Net cash (used in)/provided by investing activities	(1,217)	9

23 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	635	1,619
Total cash and cash equivalents	635	1,619

24 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	1,619	(984)	635
	-	-	-
Total	1,619	(984)	635

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.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations

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

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

Contributions amounting to £89,900 (2019 - £59,653) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £581,137 (2019: £341,158).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

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

Local government pension schemes

Group

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 2020 was £159,000 (2019 - £161,000), of which employer's contributions totalled £112,000 (2019 - £111,000) and employees' contributions totalled £47,000 (2019 - £50,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Tyne and Wear Pension Fund.

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.80	3.60
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	2.30	2.10

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	26.80	26.90

Sensitivity analysis

	At 31 August 2020	At 31 August 2019
	£000	£000
Discount rate +0.1%	6,745	5,785
Discount rate -0.1%	7,090	6,069
Mortality assumption – 1 year increase	6,666	5,726
Mortality assumption – 1 year decrease	7,162	6,118
CPI rate +0.1%	7,070	6,019
CPI rate -0.1%	6,765	5,825

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

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

	2020 £ 000	2019 £ 000
Equities	2,476	2,978
Corporate bonds	1,049	518
Government bonds	111	186
Property	437	391
Cash and other liquid assets	88	95
Other	467	378
Total market value of assets	<u>4,628</u>	<u>4,546</u>

The actual return on scheme assets was £22,000 (2019 - £274,000).

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	325	320
Past service cost	-	110
Interest income	(86)	(122)
Interest cost	112	123
Total amount recognised in the SOFA	<u>351</u>	<u>431</u>

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

	2020 £ 000	2019 £ 000
At start of period	5,922	4,534
Current service cost	325	210
Interest cost	112	123
Employee contributions	47	50
Actuarial (gain)/loss	608	915
Benefits paid	(99)	(20)
Past service cost	-	110
At 31 August	<u>6,915</u>	<u>5,922</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

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

	2020 £ 000	2019 £ 000
At start of period	4,546	4,131
Interest income	86	122
Actuarial gain/(loss)	(64)	152
Employer contributions	112	111
Employee contributions	47	50
Benefits paid	(99)	(20)
At 31 August	<u>4,628</u>	<u>4,546</u>

Academy Trust

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 2020 was £156,000 (2019 - £160,000), of which employer's contributions totalled £109,000 (2019 - £110,000) and employees' contributions totalled £47,000 (2019 - £50,000). The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Tyne and Wear Pension Fund.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.80	3.60
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.10</u>

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.80</u>	<u>26.90</u>

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	6,547	5,620
Discount rate -0.1%	6,876	5,890
Mortality assumption – 1 year increase	6,467	5,560
Mortality assumption – 1 year decrease	6,949	5,940
CPI rate +0.1%	6,856	5,840
CPI rate -0.1%	6,567	5,660

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

	2020 £ 000	2019 £ 000
Equities	2,433	2,927
Corporate bonds	1,042	509
Government bonds	109	183
Property	419	384
Cash and other liquid assets	86	94
Other	459	373
Total market value of assets	4,548	4,470

The actual return on scheme assets was £21,000 (2019 - £320,000).

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	324	210
Past service cost	-	110
Interest income	(85)	(120)
Interest cost	109	120
Total amount recognised in the SOFA	348	320

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

	2020 £ 000	2019 £ 000
At start of period	5,750	4,410
Current service cost	324	210
Interest cost	109	120
Employee contributions	47	50
Actuarial (gain)/loss	578	870
Benefits paid	(99)	(20)
Past service cost	-	110
At 31 August	6,709	5,750

Castle View Enterprise Academy

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Pension and similar obligations (continued)

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

	2020	2019
	£ 000	£ 000
At start of period	4,470	4,060
Interest income	85	120
Actuarial gain/(loss)	(64)	150
Employer contributions	109	110
Employee contributions	47	50
Benefits paid	(99)	(20)
At 31 August	4,548	4,470

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.

Expenditure related party transactions

During the year the academy trust 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 £253,326 (2019: £257,768).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Sunderland City Council (and subsidiary undertakings) was £37,339 (2019 - £60,876).

Northumbrian Water Plc

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

During the year, the group purchased goods and services totalling £17,417 from the company (2019: £15,426).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Northumbrian Water Plc was £Nil (2019 - £Nil).