

Company Registration Number: 08438686 (England & Wales)

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

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**PLYMOUTH CAST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Rt Rev M O'Toole, Bishop of Plymouth Rev Msgr R Draper, Vicar General Rev J Bielawski, Vicar for Evangelisation
Trustees	Mr G R Johnson, Trustee (resigned 31 December 2017) Mr D A Anderson, Chair (to 30 April 2018), Trustee ¹ Mr D J Rogerson, Trustee ² Ms V Towers, Trustee (resigned 31 December 2017) Ms M C Edwards, Trustee ¹ Fr M O'Keeffe, Trustee Mr A Nicholls, Vice Chair ^{1,2} Mr G Briscoe, Trustee (appointed 14 September 2017) ² Mrs K Griffin, Interim Chief Executive Officer (appointed 14 September 2017, resigned 31 December 2017) ^{1,2} Mrs L Sprackman, Trustee (appointed 14 September 2017, resigned 31 December 2017, appointed 14 September 2018) ¹ Mr T Stockley, Trustee (appointed 14 September 2017) ¹ Fr R Meyer, Trustee (resigned 27 November 2018) Dr K M Cook, Interim Chief Executive Officer (appointed 1 January 2018, resigned 1 July 2018) ^{1,2} Mr C Coward, Trustee (appointed 31 January 2018, resigned 21 November 2018) ¹ Mr R Friel, Chief Executive Officer (appointed 1 July 2018) ^{1,2} Rt. Hon. Lord Burnett, Chair (appointed 1 May 2018) Mrs A Harris, Trustee (appointed 14 September 2018) Mrs J Vaughan, Trustee (appointed 14 September 2018)
	¹ Finance Committee ² Audit & Risk Committee
Company registered number	08438686
Company name	Plymouth CAST
Principal and registered office	St Boniface's House Ashburton Newton Abbot Devon TQ13 7JL
Accounting Officer	Mr R Friel (from 1 July 2018) Dr K Cook (from 1 January 2018 to 30 June 2018) Mrs K Griffin (from 1 September 2017 to 31 December 2017)
Senior management team	Mr R Friel, CEO (from 1 July 2018) Dr K Cook, Interim CEO (1 January 2018 to 30 June 2018) Mrs K Griffin, Interim CEO (to 31 December 2017) Dr K Cook, Chief Finance and Operations Officer (from 1 July 2018) Mrs L Sprackman, Interim CFO (from 1 January 2018 to 30 June 2018) Dr K Cook, Interim CFO (from 11 September 2017 to 31 December 2017) Mrs L Adams, Director of Education Mr M Barnes, Deputy Director of Education (from 1 May 2018) Mr M Taylor, Chief Operations Officer (to 28 February 2018) Mr R Thorns, Head of Human Resources

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Advisers (continued)

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Solicitors Tozers LLP
Broadwalk House
Southernhay West
Exeter
Devon
EX1 1UA

**PLYMOUTH CAST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 33 primary and 2 secondary academies in Cornwall, Devon and Dorset. Its academies have a combined pupil capacity of 8,775 and had a roll of 7,641 in the school census on 18 January 2018.

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 Trustees of Plymouth CAST are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	0.03

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£500
Total pay bill	£32,309,371
Percentage of total pay bill spent on facility time	<1%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	<1%
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

Plymouth CAST has the following Trustees, known as 'Directors', as set out in its Articles of Association and funding agreement:

- 8 Foundation Directors who are appointed by the Bishop of Plymouth
- 3 Academy Directors who are appointed by the Directors
- 1 Chief Executive Officer
- 3 Co-opted Directors who are appointed by the other (non co-opted) Directors

Other than the Chief Executive Officer, Trustees are appointed for 4 years and may be reappointed at the end of their term.

During the year the Trustees, with the support of the Members, developed a revised scheme of delegation (adopted October 2018), making the responsibilities of the Trustees, Governors, members of the Senior Executive leadership and Head Teachers clearer. This is being rolled out through November.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. A skills audit was undertaken in the year and the Board appointed two new members with an education background.

The Articles of the Trust are currently under review.

Policies and Procedures Adopted for the Induction and Training of Trustees

Within three months of their appointment, Trustees and Governors are required to complete a skills audit, which along with identifying strengths, also identifies areas they would like to develop. This is then used to inform targeted training in specific areas. The Trust is developing a formal induction and training policy for all Trustees and Governors of Local Governing Boards in line with the revised scheme of delegation.

Directors and Governors attend regular updating sessions tailored to the needs of the schools and the Academy Trust and these sessions are also used to ensure all are involved in the next phase of school improvement. When a new Governor is appointed to a school, there is a formal induction checklist that must be completed including a tour of the school, meeting the key members of the Local Governing Board (LGB), reviewing the school improvement plan, etc. All Governors regularly attend the schools for focused visits linked to the schools improvement plan and develop Governors understanding of the day to day operations of the school.

Organisational Structure

The Board of Trustees has agreed to meet ten times per year, and reduce the number of committees to only the Audit and Risk Committee and the Remuneration Committee. This will commence from January 2019 and until that date will continue with regular Finance & Resources Committees. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

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FOR THE YEAR ENDED 31 AUGUST 2018**

There are three committees as follows:

- Finance Committee - this meets six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the internal audit and drafting the annual budget.
- Audit & Risk Committee - this meets six times per year to monitor, evaluate and review all risks which may affect the Academy Trust.
- Remuneration Committee – meets when required and is responsible for setting remuneration of HQ support staff.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, Clerk to the Trustees and to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments. The Trust Board is currently supported by an Enhanced Support Group, which is expected to continue until April 2019.

Following, the adoption of the revised Scheme of Delegation there is improved clarity as to the relationship between the Trustees and Local Governing Boards. The Scheme of Delegation can be found on the Trusts website.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Academy Trust currently applies the School Teachers' Pay and Conditions Document published annually by the Department of Education, as well as the locally agreed pay policy for each Local Authority that have been approved and adhered to. In addition, the Academy Trust also applies the National Living Wage, as suggested by The Living Wage Foundation, but this is implemented at the start of every new academic year, as opposed to when published.

The Academy Trust has adopted an appraisal / performance management policy. All staff, including the SMT within each school, have clear performance targets, including pupil progress. If all targets are met and clear evidence is provided the staff member receives an incremental point in line with the pay policy, authorised by the Headteacher. For experienced teachers to gain access to the Upper Threshold, in addition, a professional portfolio must be presented to the Headteacher for assessment and approval is through the Education Support Manager, the line manager of the Head Teacher. Head Teacher pay is decided by the Remuneration committee in line with the agreed Leadership Pay Arrangements.

Connected Organisations, including Related Party Relationships

Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR) has Trustees and Members in common with Plymouth CAST.

The transactions with PRCDTR were undertaken at arm's length, were purchased at cost (without profit) and have been disclosed in the financial statements.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and

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following directives issued by the Bishop of Plymouth.

Also, their aim is to promote, for the benefit of the inhabitants of the areas served by the schools, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of the life of these inhabitants.

Our mission is to be a community of outstanding schools in which our pupils flourish in safe, happy and stimulating environments and leave us with the knowledge and skills, personal qualities and aspirations, to make the world a better place, inspired by the Gospel.

Our Vision

The Church insists on the highest standards of academic achievement in its schools, so that our young people leave us as 'agents of change' – educated and caring people who have the qualifications, knowledge and skills they need to flourish as human beings and make the world a better place.

Inspired by our Teacher, Jesus Christ, and his good news to the poor, we have a commitment especially to those who are disadvantaged. We are determined that a child's start in life need not determine their future. We are committed to the well-being of the earth, our common home, inspired by the example of Pope Francis: to live wisely, think deeply and love generously.

In all our schools we will develop a culture of high expectation and aspiration, based on our fundamental belief in the dignity of all human beings. We want all our pupils to flourish in safe, happy and enriching environments, taught and supported by adults who are skilled, motivated and committed to our shared vision and values.

We will work together as one Trust, one family of schools, a community inspired by a vision for excellence. We commit ourselves to deepen our mission and raise standards in order to provide an excellent Catholic education for every child in our care.

Objectives, Strategies and Activities

Detailed development plans are held by each of CAST's schools and the on going strategic improvement of CAST's individual schools has been carried forward by the school's leadership, with line management, support and intervention from the CAST Central Senior Executive Leadership and Education Support Managers, with support and challenge from Local Governing Boards.

The CAST Board in 2017/18 prioritised its strategic objectives to focus on school improvement and financial sustainability, as outlined in the current business plan's key objectives:

- Improve educational achievement so that all our schools are good or better by August 2019.
- Develop leadership, management and governance structures that will support the educational and financial plans.
- To ensure a financially sustainable Roman Catholic Multi Academy Trust that can deliver defined educational outcomes efficiently and effectively and in doing so meet the requirements of the Financial Notice to Improve issued in September 2017.
- Increase capacity and confidence in CAST through effective communication and focused staff development to win hearts and minds.
- Celebrate and promote the Catholicity of our schools.

Following the vision and values consultation process in September and October 2018 and the publication of *A vision for Excellence*, commended by CAST Member Bishop Mark O'Toole, the Trust will now embed the vision and drivers outlined in the document. The drivers identified in the document will provide the framework for a revised strategic plan which will be presented to the Board on 14 December 2018.

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Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

Summary of Improvements in Education and Standards

This was the fourth full year of the Academy Trust's operation. Our Ofsted grades and headline data is presented below:

	Ofsted Grade 2017	Ofsted Grade 2018	CAST Grade Sept 2017	CAST Grade Sept 2018
Good or better	19	19	11	16
Requires Improvement	11	12	19	17
Inadequate	5	3	5	2

Over the past twelve months, two of our schools which were inadequate have now been judged to no longer require special measures. Three more of our schools have now been judged to be good. The difference between the two 2018 columns reflects the true picture of our schools. Although the number of schools which are actually good is lower than Ofsted have identified, five of our schools have improved to good over the year.

	2017 ARE	2018 ARE	Increase/Decrease
GLD	48%	61%	13%
Phonics	82%	79%	
KS1 Reading	49%	52%	3%
KS1 Writing	37%	42%	5%
KS1 Maths	55%	64%	9%
KS2 Reading	44%	53%	9%
KS2 Writing	38%	53%	15%
KS2 Maths	47%	50%	3%
KS2 RWM	44%	47%	3%

Colour coding	Improved	No Change	
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These improvements reflect that the attainment and progress of our pupils is increasing. However, these improvements are not as rapid as they need to be. Our education and standards team is working with Head Teachers to ensure that more schools are at least in line with national figures.

Key Performance Indicators

The Trust has now established a set of key performance indicators through which to monitor overall performance. These are detailed in the Business Plan prepared in response to the FNtI available on the website and include:

- Ensure all schools are good or better by August 2019

Following the appointment of a Senior Manager responsible for Education and Standards at the end of the last financial year, and the expansion and enhancement of the wider education and standards team, significant progress has been made, with only 3 schools judged by Ofsted as inadequate and 19 as good or better. We

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anticipate further improvements as schools are inspected over the coming months.

- To improve the quality of teaching and learning

There have been improvements across all areas, except phonics over the year, which is a testament to the intervention strategies and continued commitment at all levels across our schools.

- To improve pupils' outcomes for all group

Whilst some progress has been made the Trust is committed to undertaking further work with disadvantaged pupils in 2018/19

- Appoint a substantive CEO ensuring an effective handover

Mr Raymond Friel was appointed in December 2017 and took up post on 1st July 2018

- Agree governance structures that are designed for the context of CAST

A new scheme of delegation has been approved by the Board and is now operational. This clarifies the responsibilities of the Board of Directors (Trustees), the Senior Executive Leadership Team and Local Governing Boards.

- Ensure that school budgets are set at no more than 97% of income by August 2020

Revised budget setting arrangements are in place to ensure the long-term sustainability of the Trust. The % of surplus required will be reviewed in line with national benchmarks and the wider educational financial landscape.

- Ensure staffing costs are no more than 80% of income by August 2020

Three-year budgets are presented by schools and scrutinised to ensure that this target is met. Where future year indicators are that this is not achievable by a school a recovery plan is required to be developed for approval by the Senior Executive Leadership Team.

Going Concern

After making appropriate enquiries, the Board of Trustees 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Following the receipt of the Financial Notice to Improve (FNtI) from the Department of Education in September 2017 the Trust took immediate and robust action to ensure that the conditions outlined were met including:

- The preparation and implementation of an action plan to address the issues identified by the independent reviews of governance and financial management, Pupil Premium and safeguarding. This was submitted to the Department in line with the agreed deadlines.
- The preparation and implementation of an externally validated financial recovery plan detailing:
 - How the Academy Trust will achieve a cumulative surplus position by the end of August 2020, and each year thereafter, supported by robust budget forecasts through to 2021/22 with evidence to support realistic pupil number forecasts;
 - A clear efficiency and savings plan setting out specific areas where further savings can be made to

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include further staffing efficiencies resulting in no more than 82% of income being spent on staffing across the Trust by September 2020, with a further reduction by September 2021.

- The full implementation of new financial management and monitoring structures which are robust and challenging and ensuring all Trustees are aware of their responsibilities as Directors under the Companies Act and as Trustees under Charity Commission guidance.

All deadlines outlined by the FNtI have been met to date.

The ESFA have confirmed that all of the conditions of the FNtI have been met and we anticipate it will be lifted in the very near future. The Trust has achieved the required changes, which were not insubstantial, without any financial support from the ESFA.

The introduction of a new cross Trust finance system and the centralisation of financial processing has enabled substantial improvement in overall financial management. Further system enhancements will be in place for 2018/19, including improved reporting arrangements.

In line with the financial recovery plan the Trust has made significant savings to improve the financial position across its schools through a voluntary severance scheme, compulsory redundancies and reductions in non-pay costs. Robust scrutiny and challenge by the Chief Finance and Operating Officer of 3 year forecasts presented by schools has resulted in more reliable forecasts taking into account the risks and challenges across the Trust and at school level. A number of schools will require further intervention as they are presenting future deficit budgets as a result of lower pupil numbers. The Trusts Senior Executive Leadership team are continuing to work with these schools to ensure that they each have a tightly monitored recovery plan in place.

Most of the Academy Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year, The Trust has incurred a revenue fund deficit amounting to £521,901 as detailed in the analysis of academies by fund balance note 20. These figures exclude, pension liability movements, fixed asset fund movements and fund transfers. Total funds held by the Academy Trust at the year end amounted to £7,884,603, of which revenue funds held at the year end amounted to £1,696,838, restricted fixed asset funds amounted to £25,059,765 and pension reserves of (£18,872,000).

The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

At 31 August 2018 the net book value of fixed assets was £25,018,410 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 25 to the financial statements.

Financial regulations and policies are being reviewed and amended to reflect the introduction of a new finance system designed to improve Trust-wide financial management.

Reserves Policy

The Academy Trust is largely funded by grants from the Department of Education, the use of which is regulated by our Funding Agreement. The reserves for each individual school are ring fenced to that school. It is expected that moving forward Trustees will review the future plans of the Academy Trust and set aside designated reserves as appropriate to maintain the stable progression of the Trust.

The Academy Trust's policy is to aim to hold enough free reserves to cover one month of expenditure,

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approximately £3,500,000. Whilst it is not policy to carry the current level of free reserves, given the tight funding regime for schools, Plymouth CAST has taken a cautious approach to reserves across the network given the known school improvement and site development requirements and known demographic dips (such as now impacting on secondary education in Plymouth). At the year end, the Trust held unrestricted reserves of £1,528,259, free reserves of (£39,023) and cash at the bank of £3,365,149.

In line with most Academy Trusts in the UK, Plymouth CAST's defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the Academy Trust.

Investment Policy

All funds were held in the current bank accounts of individual schools. At any time, an individual school may hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates provided that these accounts are within the Lloyds banking system and are agreed with the Relationship Manager. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 Trustees have assessed these major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The principal risks and uncertainties facing the Academy Trust are as follows:

- **Poor Ofsted inspection outcomes** – this would impact not only the reputation of the school and the Trust, but likely impact the recruitment and retention of pupils. The Education and Standards team work closely with all Head Teachers to ensure that pupil progress is well monitored and regularly update the Board of Trustees with their judgements in this regard.
- **Safeguarding failures** – The Trust has appointed a safeguarding officer and a Deputy Director of Education and Standards who has primary oversight of Safeguarding. This area is now well monitored and regular updates provided to the Board.
- **Long term financial sustainability** – The Trust is acutely aware of the current financial fragility, but has implemented robust monitoring and intervention arrangements to ensure long term financial sustainability is achieved.
- **Ability to recruit and retain mission critical personnel** – This is recognised risk, particularly given the required levels of change, which cannot be fully mitigated. Succession planning is fully considered.
- **Loss or misuse of confidential data** – To mitigate this risk all staff development has taken place and the trust has an appointed a designated GDPR manager.
- **Poor recruitment impacting school viability** – Three year forecasting, including Local Authority data on applications will enable the Trust to respond to future challenges in a timely manner.
- **Failure of the Trust to comply with legislative requirements** – Increasing levels of compliance requirements across schools and the Trust remain a challenge, but regular monitoring and staff development provide mitigation.

An updated Risk Management Policy has been approved, which fully details the Trusts approach.

The Trustees examine the financial health formally twice termly. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The

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Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Academy Trust carried out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The Trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with the relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

PLANS FOR FUTURE PERIODS

The Academy Trust has taken a number of steps that will impact the 2018/19 year and future periods. The Trust has appointed a permanent CEO, who took up post in July 2018. Initial priorities for the CEO have been the development of a revised Vision and Values for the Trust, the development of a revised scheme of delegation, amending the role of Local Governing Boards and the development of a revised strategic plan with underpinning operating plans. The latter documents will be presented to the Trustees in December 2018 for approval.

A new Scheme of Delegation was approved by CAST Member Bishop Mark O'Toole and approved by the Board on 26 October 2018. This new scheme will bring greater clarity around the delegated powers of Local Governing Boards and their relationship with CAST Senior Executive Leadership and the Board. A Vision and Values paper was approved by the Board on 2 November 2018. This paper included a revised vision and mission statement for the Trust, the ten operational principles which will guide decision-making, as well as the four drivers which will form the basis of next iteration of the strategic plan.

On 16 November 2018 a proposal to develop a cluster model of school to school support was approved by the Board. This was one of the key tasks identified by the Regional Schools Commission as a sign that Plymouth CAST was functioning as a mature MAT. A pilot for the clusters will begin in January 2019 to test the model with a view to full implementation in September 2019.

Schools with fragile financial positions have been invited to take part in a Stewardship Conference with members of the Senior Executive Leadership and also the school's Link Director. The purpose of the Conference is to look in close detail at the school's circumstances and provide advice and guidance on how to develop a sustainable financial position. The schools have been tasked with producing a Recovery Plan by 11 January 2019. The Senior Executive Leadership will review the plans and bring recommendations as necessary to the Board on 25 January 2019.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

As a public body the Academy Trust is committed to fulfilling its equalities duties and the Trustees recognise that equal opportunities should be an integral part of good practice within the workspace.

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Plymouth CAST aims to establish equal opportunities in all areas of its activities including the creation of a working environment in which the contribution and needs of all people are fully valued.

REVIEW OF COMPLIANCE WITH THE PROMPT PAYMENT CODE

We support the principles set out within the Prompt Payment Code (PPC): to pay suppliers on time; give clear guidance to suppliers; and encourage good practice. PPC is being increasingly adopted by public sector institutions. To evidence our support we wish to be transparent in disclosing the average time taken to pay our supplier invoices in the last financial year. The PPC encourages payment within a maximum of 60 days (in line with late payment legislation requirements) and to work towards adopting 30 days as the norm. The average time taken by the Academy Trust to pay our suppliers in 2017/18 was under 60 days and we aim to move towards 30 days, balanced with the need to manage cash flow.

TRUSTEES INDEMNITIES

There were no third party provisions within the year.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 21/12/18 and signed on the board's behalf by:


Rt. Hon. Lord Burnett
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Plymouth CAST 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 Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Plymouth CAST and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr G R Johnson, Trustee	4	5
Mr D A Anderson, Chair (to 30 April 2018), Trustee	8	9
Mr D J Rogerson, Trustee	5	6
Ms V Towers, Trustee	3	5
Ms M C Edwards, Trustee	9	9
Fr M O'Keeffe, Trustee	8	9
Mr A Nicholls, Vice Chair	8	9
Mr G Briscoe, Trustee	8	9
Mrs K Griffin, Interim Chief Executive Officer	5	5
Mrs L Sprackman, Trustee (appointed 14 September 2017, resigned 31 December 2017, appointed 14 September 2018)	5	5
Mr T Stockley, Trustee	9	9
Fr R Meyer, Trustee	5	9
Dr K M Cook, Interim Chief Executive Officer	4	4
Mr C Coward, Trustee	2	4
Mr R Friel, Chief Executive Officer	1	1
Rt. Hon. Lord Burnett, Chair	1	2
Mrs A Harris, Trustee	0	0
Mrs J Vaughan, Trustee	0	0

During the year an independent governance review was undertaken and a detailed action plan developed to ensure that improvements are achieved. This has been further developed in the Business Plan, which has a section on Leadership and Governance, with 10 specific success criteria. This is available on the website. In addition the Board has been supported by an Enhanced Support Group since October 2017.

The **Finance Committee** is a committee of the Board which consists of no fewer than three members including relevant members of the Board accompanied by Senior Leaders from member schools, also to include Chief Financial Officer and Finance Manager from CAST Central support. The committee meets at least six times a year, depending on the priorities that arise within any one term.

The finance committee's purpose is to:

- review all aspects of CAST's financial performance and that of its constituent schools;
- make proposals to the Board on major financial issues;
- make decisions on certain financial matters within the terms of reference of the committee;
- identify any potential issues arising from either the aggregated financial information or specific school vulnerabilities.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr A Nicholls, Chair of Committee	8	8
Mr T Stockley	8	8
Mr C Coward	2	5
Mrs L Sprackman	6	7
Mrs K White, Staff Committee Member	5	8
Mrs K Griffin, Interim CEO	2	2
Dr K Cook, Interim CEO	6	6
Mr R Friel, Chief Executive Officer	1	1

The **Audit & Risk Committee** is a further committee of the Board which consists of no fewer than three members including the Chair or Vice Chair of the Board of Trustees and relevant members of the Board accompanied by Senior Leaders from member schools, also to include the Accounting Officer, Chief Financial Officer and Finance Manager from CAST Central support as attendees. The committee meets at least six times a year depending on the priorities that arise within any one term.

The Audit & Risk committee's purpose is to:

Advise the Board on the adequacy and effectiveness of the Academy Trust's systems of internal control, risk management and governance processes to ensure overall efficiency, effectiveness and value for money.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr D J Rogerson, Chair of Committee	5	5
Mr G Briscoe	4	5
Mr A Nicholls	4	5
Mrs K Griffin, Interim CEO	0	2
Dr K Cook, Interim CEO	3	4
Mr R Friel, Chief Executive Officer	1	1

REVIEW OF VALUE FOR MONEY

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

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

- continued conversations with ChurchMarketPlace and YPO to review procurement in the following areas: Energy, Catering, Reprographics, IT and Telecoms.
- reviewing the costs of the locally purchased SLAs for administrative support and deploying centrally employed staff, to deliver greater value for a similar, or lessor, cost.
- developing the finance infrastructure so that schools are supported by Area Finance Support Officers, meaning that key issues are more easily identified.
- implementing a contract with a call centre to provide the schools with one place to report compliance issues, emergency repairs and discuss planned maintenance. This allows the MAT to receive an economy of scale due to the call centre using a pool of recognised contractors, but it also saves each of the schools the hidden cost of wasted time, as they do not have to contact a number of suppliers for quotes as this is prepared by the call centre.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Plymouth CAST for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees 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 Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership (DAP) as internal auditor.

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

- A review of the new finance system
- Completion of a new self-assessment exercise for all member schools, including updating the questionnaire to bring it in line with the latest Academies Financial Handbook and updating the risk score matrix
- Detailed review of two schools

Progress on previously undertaken audits is regularly reported to the Audit and Risk Committee and they consider that effective progress is being made.

The audit committee receives reports on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 21/12/18 and signed on its behalf, by



**Rt. Hon. Lord Burnett
Chair of Trustees**



**Mr R Friel
Accounting Officer**

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that 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.



**Mr R Friel
Accounting Officer**

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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:

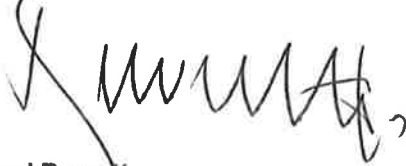
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of Trustees and signed on its behalf by:



**Rt. Hon. Lord Burnett
Chair of Trustees**

Date: 21/12/18

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PLYMOUTH CAST**

OPINION

We have audited the financial statements of Plymouth CAST (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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 Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PLYMOUTH CAST**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PLYMOUTH CAST**

AUDITORS' 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 Auditors' 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.

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 Auditors' Report.

USE OF OUR REPORT

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 21/12/18

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PLYMOUTH CAST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Plymouth CAST during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Plymouth CAST and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Plymouth CAST 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 Plymouth CAST and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PLYMOUTH CAST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Plymouth CAST's funding agreement with the Secretary of State for Education dated May 2013 and March 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PLYMOUTH
CAST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 21/12/18

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	2,539,817	-	2,539,817	2,706,441
Charitable activities	3	1,910,573	37,804,814	-	39,715,387	39,694,575
Other trading activities	4	94,547	-	-	94,547	98,177
Investments	5	2,964	-	-	2,964	7,799
Other income	6	-	999,719	-	999,719	1,132,685
TOTAL INCOME		2,008,084	41,344,350	-	43,352,434	43,639,677
EXPENDITURE ON:						
Raising funds		19,142	-	-	19,142	34,519
Charitable activities		1,031,564	41,334,636	867,268	43,233,468	46,864,204
Restructuring costs		-	3,635,954	-	3,635,954	50,420
Other expenditure	10	-	413,996	-	413,996	1,309,885
TOTAL EXPENDITURE	7	1,050,706	45,384,586	867,268	47,302,560	48,259,028
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		957,378	(4,040,236)	(867,268)	(3,950,126)	(4,619,351)
Transfers between Funds	20	(1,258,275)	1,110,232	148,043	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(300,897)	(2,930,004)	(719,225)	(3,950,126)	(4,619,351)
Actuarial gains on defined benefit pension schemes	25	-	4,489,000	-	4,489,000	2,647,000
NET MOVEMENT IN FUNDS		(300,897)	1,558,996	(719,225)	538,874	(1,972,351)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,829,156	(18,482,417)	25,778,990	9,125,729	11,098,080
TOTAL FUNDS CARRIED FORWARD		1,528,259	(16,923,421)	25,059,765	9,664,603	9,125,729

The notes on pages 27 to 57 form part of these financial statements.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08438686**

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	16		25,018,410		25,738,332
CURRENT ASSETS					
Debtors	17	1,258,154		1,497,245	
Cash at bank and in hand		3,365,149		4,234,392	
		4,623,303		5,731,637	
CREDITORS: amounts falling due within one year	18	(2,885,110)		(3,472,240)	
NET CURRENT ASSETS			1,738,193		2,259,397
TOTAL ASSETS LESS CURRENT LIABILITIES			26,756,603		27,997,729
Defined benefit pension scheme liability	25		(17,092,000)		(18,872,000)
NET ASSETS			9,664,603		9,125,729
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	20	168,579		389,583	
Fixed asset funds	20	25,059,765		25,778,990	
Restricted funds excluding pension liability		25,228,344		26,168,573	
Pension reserve		(17,092,000)		(18,872,000)	
Total restricted funds			8,136,344		7,296,573
Unrestricted funds	20		1,528,259		1,829,156
TOTAL FUNDS			9,664,603		9,125,729

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue, on 21/12/18 and are signed on their behalf, by:


Rt. Hon. Lord J Burnett
Chair of Trustees

The notes on pages 27 to 57 form part of these financial statements.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(1,820,356)</u>	<u>(1,581,460)</u>
Cash flows from investing activities:			
Interest received		2,964	7,799
Proceeds from the sale of tangible fixed assets		357	1,500
Purchase of tangible fixed assets		(148,045)	(892,303)
Capital grants from DfE/ESFA and other bodies		1,095,837	1,181,483
Net cash provided by investing activities		<u>951,113</u>	<u>298,479</u>
Change in cash and cash equivalents in the year		(869,243)	(1,282,981)
Cash and cash equivalents brought forward		<u>4,234,392</u>	<u>5,517,373</u>
Cash and cash equivalents carried forward	23	<u><u>3,365,149</u></u>	<u><u>4,234,392</u></u>

The notes on pages 27 to 57 form part of these financial statements.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Plymouth CAST constitutes a public benefit entity as defined by FRS 102.

1.2 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 Academy Trust 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. The Academy Trust incurred a revenue deficit of £521,902 (excluding pension and fixed asset movements and transfers) during the year ended 31 August 2018 and as of that date had revenue reserves of £1,696,838. The Trust has prepared cash flow forecasts which determine that there is sufficient cash available going forward. The Trust continues to remodel its financial plans to ensure sustainability going forward following self-referral to the ESFA. In line with recovery plans they have agreed that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants 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 grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

1.4 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.

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

**PLYMOUTH CAST
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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	0.8% straight line
Long term leasehold buildings	-	2 - 4% straight line
Furniture and fixtures	-	20% straight line
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% straight line

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.

Where the Academy Trust has been granted use of school buildings from the Plymouth Roman Catholic Diocesan Trustees Registered under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the depreciation which would have been charged had the buildings remained on the Academy Trust's Balance Sheet.

The Supplemental Agreement includes the right for the Plymouth Diocese Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**PLYMOUTH CAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 are measured at the best estimate of the amounts required to settle the obligation.

1.9 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 17. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. 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 instruments.

1.10 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

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

1.12 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**PLYMOUTH CAST
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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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.

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires any assets and liability to be recognised in the Balance Sheet.

1.14 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 30.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	2,443,699	-	2,443,699	2,657,643
Capital Grants	-	96,118	-	96,118	48,798
	-	2,539,817	-	2,539,817	2,706,441
Total 2017	-	2,657,163	49,278	2,706,441	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	769,990	37,804,814	38,574,804	38,183,985
Nursery	1,140,583	-	1,140,583	1,510,590
	1,910,573	37,804,814	39,715,387	39,694,575
Total 2017	1,974,632	37,719,943	39,694,575	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
DFC	-	236,728	236,728	237,847
General Annual Grant	-	31,953,043	31,953,043	32,414,251
Other DfE/ESFA grants	-	3,517,587	3,517,587	3,222,375
	-	35,707,358	35,707,358	35,874,473
Other Government grants				
High Needs	-	1,283,372	1,283,372	1,400,815
Other government grants	-	444,250	444,250	210,313
	-	1,727,622	1,727,622	1,611,128
Other funding				
Internal catering income	456,728	-	456,728	437,748
Sales to students	199,882	-	199,882	36,944
Other	113,380	369,834	483,214	223,692
	769,990	369,834	1,139,824	698,384
	769,990	37,804,814	38,574,804	38,183,985
Total 2017	556,520	37,627,465	38,183,985	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	70,251	-	70,251	65,797
External Catering	-	-	-	22,091
Consultancy	119	-	119	-
Fees received	8,133	-	8,133	-
Other	16,044	-	16,044	10,289
	94,547	-	94,547	98,177
Total 2017	98,177	-	98,177	

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NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	2,964	-	2,964	7,799
Total 2017	7,799	-	7,799	

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations from non-charitable activities	-	999,719	999,719	1,132,685
Total 2017	-	1,132,685	1,132,685	

Donations received from non-charitable activities represent capital funding received which has been used to fund improvements to Diocesan property occupied by the Academy Trust.

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	7,676	-	11,466	19,142	34,519
Support costs	-	-	-	-	-
Education:					
Direct costs	27,074,737	682,328	3,116,854	30,873,919	32,536,123
Support costs	6,788,754	4,495,071	3,851,840	15,135,665	13,428,273
Nursery:					
Direct costs	357,547	16,770	46,719	421,036	442,866
Support costs	327,657	60,989	50,156	438,802	507,362
Total 2017	34,065,335	5,919,077	6,934,731	46,919,143	

PLYMOUTH CAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. DIRECT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	297,337	-	297,337	313,000
Educational supplies	1,692,234	39,504	1,731,738	2,115,324
Examination fees	99,997	-	99,997	140,544
Staff development	261,189	7,215	268,404	361,002
Other costs	459,965	-	459,965	740,514
Supply teachers	529,871	-	529,871	669,016
Wages and salaries	20,376,362	291,962	20,668,324	21,182,292
National insurance	1,733,028	17,209	1,750,237	1,778,085
Pension cost	4,741,608	48,376	4,789,984	4,862,297
Depreciation	682,328	16,770	699,098	816,915
	30,873,919	421,036	31,294,955	32,978,989
Total 2017	32,536,123	442,866	32,978,989	

9. SUPPORT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	184,663	-	184,663	103,000
Educational supplies	-	-	-	12,192
Other costs	34,591	10,065	44,656	68,614
Recruitment and support	91,439	1,282	92,721	309,215
Maintenance of premises and equipment	766,803	12,228	779,031	617,888
Cleaning	586,560	23,950	610,510	554,787
Rent and rates	2,395,108	4,489	2,399,597	2,277,820
Energy costs	570,575	12,993	583,568	491,010
Insurance	361,747	13,021	374,768	400,043
Security and transport	249,079	3,184	252,263	118,839
Catering	1,410,436	-	1,410,436	1,438,760
Technology costs	260,227	-	260,227	862
Office overheads	884,544	20,364	904,908	707,445
Legal and professional	183,372	5,094	188,466	223,068
Bank interest and charges	1,510	330	1,840	4,144
Educational Consultancy	413,435	-	413,435	671,033
Governance	115,280	-	115,280	211,322
Wages and salaries	4,630,000	268,492	4,898,492	4,199,618
National insurance	302,510	18,363	320,873	253,016
Pension cost	1,530,112	40,802	1,570,914	1,114,972
Depreciation	163,674	4,145	167,819	157,987
	15,135,665	438,802	15,574,467	13,935,635
Total 2017	13,428,273	507,362	13,935,635	

PLYMOUTH CAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. OTHER EXPENDITURE

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Improvements to Diocesan property occupied by the Academy Trust	413,996	413,996	1,309,885
Total 2017	1,309,885	1,309,885	

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	866,568	974,902
Auditors' remuneration - audit	24,000	22,650
Auditors' remuneration - other services	29,113	164,110
Internal audit costs	10,410	8,980
Operating lease rentals	55,172	138,599

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NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	24,646,321	25,337,839
Social security costs	2,071,419	2,031,384
Pension costs	6,361,806	5,978,183
	<u>33,079,546</u>	<u>33,347,406</u>
Other costs (payroll staff restructuring)	926,954	50,420
Agency staff costs (non-payroll)	529,871	667,509
	<u>34,536,371</u>	<u>34,065,335</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	378,934	12,306
Severance payments	521,189	63,164
Other restructuring costs	26,831	-
	<u>926,954</u>	<u>75,470</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £72,615 (2017: £63,164). Individually, the payments were £22,339, £19,812, £3,261, £12,729, £4,500 and £9,974 (2017: £25,000, £13,500, £12,000, £9,564 and £3,100).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	382	390
Educational Support	851	952
Administration & Clerical	215	230
Management	104	107
	<u>1,552</u>	<u>1,679</u>

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12. STAFF COSTS (continued)

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	327	334
Educational Support	347	374
Administration & Clerical	114	120
Management	102	101
	890	929

d. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	12	8
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	3	3
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustee) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £479,173 (2017: £323,395).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in Note 14 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
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13. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Human resources and payroll support
- Financial services
- Legal services
- Educational support services

The Academy Trust charges for these services on the following basis:

These services are funded using a flat percentage of income plus recharges for specific costs incurred centrally for providing these services. Any surplus is retained centrally to ensure that there is sufficient contingency in place to cover unplanned eventualities as advised by the ESFA when the Academy Trust was established.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Christ the King CPS	103,135	45,084
St Mary's CPS, Bodmin	71,233	30,516
St John's CPS, Camborne	50,433	21,984
St Mary's CPS, Falmouth	66,832	30,516
St Mary's CPS, Penzance	61,561	23,244
Our Lady's CPS	61,370	26,460
Our Lady and St Patrick's CPS	70,022	27,720
St John's CPS, Tiverton	66,376	26,880
St John the Baptist CPS	24,914	11,904
St Joseph's CPS, Exmouth	65,165	28,560
St Joseph's CPS, Newton Abbot	59,085	23,244
St Mary's CPS, Axminster	45,714	16,524
St Mary's CPS, Buckfast	23,702	10,356
St Nicholas CPS	103,438	43,116
St Augustine's CPS	64,410	28,980
St Catherine's CPS, Wimborne	55,592	25,896
St Catherine's CPS, Bridport	67,890	27,300
St Mary's CPS, Marnhull	15,188	8,544
St Mary's Catholic First School	46,787	21,276
St Mary's CPS, Swanage	61,519	23,376
St Mary & St Joseph's CPS	51,644	21,696
Holy Cross CPS	83,243	35,136
Keyham Barton CPS	66,679	26,460
Priory CPS	72,747	28,284
Our Lady of the Angels CPS	74,261	27,576
Sacred Heart CPS	72,456	29,676
Notre Dame RC School	187,007	109,200
St Boniface's RC College	154,784	89,460
St Joseph's CPS, Devonport	52,552	22,404
St Margaret Clitherow CPS	58,770	16,800
St Paul's CPS	59,238	25,476
St Peter's CPS	62,125	24,360
The Cathedral School of St Mary	35,245	15,684
St Joseph's CPS, Poole	118,173	52,356
St Mary's CPS, Poole	135,340	58,656
	<u>2,468,630</u>	<u>1,084,704</u>
Total		

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14. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an 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 other 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: Mr R Friel, remuneration between twenty thousand and twenty-five thousand pounds, employer's pension contributions between zero and five thousand pounds. Dr K M Cook, remuneration between seventy-five thousand and eighty thousand pounds, employer's pension contributions between ten and fifteen thousand pounds.

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £10,819 (2017: £9,449) were reimbursed to 8 Trustees (2017: 7).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £7,012 (2017: £7,373).

16. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
COST						
At 1 September 2017	50,000	25,963,784	1,531,623	21,739	1,009,238	28,576,384
Additions	-	2,361	16,766	-	128,918	148,045
Disposals	-	-	-	(2,487)	-	(2,487)
At 31 August 2018	50,000	25,966,145	1,548,389	19,252	1,138,156	28,721,942
DEPRECIATION						
At 1 September 2017	-	1,216,582	737,590	12,707	871,173	2,838,052
Charge for the year	-	420,314	308,306	1,908	136,040	866,568
On disposals	-	-	-	(1,088)	-	(1,088)
At 31 August 2018	-	1,636,896	1,045,896	13,527	1,007,213	3,703,532
NET BOOK VALUE						
At 31 August 2018	50,000	24,329,249	502,493	5,725	130,943	25,018,410
At 31 August 2017	50,000	24,747,202	794,033	9,032	138,065	25,738,332

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NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2018 £	2017 £
Trade debtors	30,238	79,005
VAT recoverable	258,164	339,203
Other debtors	26,863	3,150
Prepayments and accrued income	942,889	1,075,887
	<u>1,258,154</u>	<u>1,497,245</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	546,930	1,185,424
Other taxation and social security	1,083,003	1,018,638
Abatement of GAG	-	111,470
Other creditors	114,970	95,813
Accruals and deferred income	1,140,207	1,060,895
	<u>2,885,110</u>	<u>3,472,240</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	642,196	586,021
Resources deferred during the year	681,652	642,196
Amounts released from previous years	(642,196)	(586,021)
	<u>681,652</u>	<u>642,196</u>

At the balance sheet date the Academy Trust was holding funds received in advance for funding relating to the 2018/19 academic year, the majority of which is in respect of Universal Infant Free School Meal funding.

19. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>3,764,994</u>	<u>4,885,962</u>
Financial liabilities measured at amortised cost	<u>1,120,455</u>	<u>1,811,407</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, abatement of GAG, other creditors and accruals.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	1,829,156	2,008,084	(1,050,706)	(1,258,275)	-	1,528,259
RESTRICTED FUNDS						
General Annual Grant (GAG)	(494,697)	31,953,043	(34,186,731)	1,161,103	-	(1,567,282)
High Needs	-	1,283,372	(1,283,372)	-	-	-
Devolved formula capital	480,708	236,728	(236,728)	-	-	480,708
Other DfE/ESFA grants	287,187	3,517,587	(3,470,037)	-	-	334,737
Other government grants	-	444,250	(419,136)	-	-	25,114
Other	-	2,813,533	(2,813,533)	-	-	-
ESFA Healthy Pupils Funding	-	96,118	-	-	-	96,118
Non-charitable donations	233,507	999,719	(383,171)	(50,871)	-	799,184
Deficit transferred on conversion from Local Authority	(117,122)	-	117,122	-	-	-
Pension reserve	(18,872,000)	-	(2,709,000)	-	4,489,000	(17,092,000)
	(18,482,417)	41,344,350	(45,384,586)	1,110,232	4,489,000	(16,923,421)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion and in year	24,121,513	-	(443,255)	-	-	23,678,258
Fixed assets purchased from GAG	560,719	-	(197,243)	97,172	-	460,648
DfE/ESFA Capital grants	850,322	-	(201,238)	50,871	-	699,955
Local Authority Capital grants	156,470	-	(10,990)	-	-	145,480
Other	89,966	-	(14,542)	-	-	75,424
	25,778,990	-	(867,268)	148,043	-	25,059,765
Total restricted funds	7,296,573	41,344,350	(46,251,854)	1,258,275	4,489,000	8,136,344
Total of funds	9,125,729	43,352,434	(47,302,560)	-	4,489,000	9,664,603

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

Restricted Funds

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

**PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. STATEMENT OF FUNDS (continued)

High Needs

Funding received from the Local Authority to fund further support for students with additional needs.

Devolved formula capital

This represents funding from the ESFA to cover the maintenance and purchase of the Academy Trust's assets.

Other DfE/ESFA grants

This represents funding for Pupil Premium (for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers), UIFSM (to support schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all pupils in reception, year 1 and year 2), PE Grant (to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles) and other small grants.

Other government grants

This represents funding from the Local Authorities for various different projects and purposes, such as PAN expansion and split site funding.

Other

This represents funding from various sources, including educational school trip income and donations for a range of projects and purposes.

ESFA Healthy Pupils Funding

This represents funding generated from the Soft Drinks Industry Levy and distributed by the ESFA to improve children and young people's physical and mental health by improving and increasing availability of facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions.

Non-charitable donations

This represents capital funding used for improvements to Diocesan property occupied by the Academy Trust.

Deficit transferred on conversion from Local Authority

This represents the revenue deficits that remain from those schools that inherited a deficit position on conversion.

Pension Reserve

This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to a Multi-Academy Trust. The Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Fixed assets transferred on conversion and in year

This represents the land, buildings and equipment donated to the schools from the Local Authorities and Other Institutions on conversion and during the year.

Fixed assets purchased from GAG

This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA capital grants

This represents the Trust's DFC, ACMF, UIFSM and SCA funding allocations from the ESFA to fund the purchase and maintenance of Trust assets.

Local Authority capital grants

**PLYMOUTH CAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. STATEMENT OF FUNDS (continued)

This represents funding received from Local Authorities which has been granted to the Trust to fund capital build and expansion projects.

Other

This represents funding from various fund providers and institutions for the purchase of specific assets or towards specific build and expansion projects.

Transfers

During the year, £1,258,275 was transferred from Unrestricted funds to Restricted funds - General Annual Grant (GAG) to account for in year GAG deficits.

£97,172 was transferred from Restricted funds - GAG to Restricted Fixed Asset funds to reflect fixed assets purchased using GAG

£50,871 was transferred from Restricted funds - Non-charitable donations to Restricted Fixed Asset funds to reflect fixed assets purchased using Non-charitable donations.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

PLYMOUTH CAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Christ the King CPS	79,336	150,436
St Mary's CPS, Bodmin	137,323	158,723
St John's CPS, Camborne	31,149	61,949
St Mary's CPS, Falmouth	124,415	85,813
Our Lady's CPS, Penzance	10,362	4,458
Our Lady's CPS	149,603	141,820
Our Lady and St Patrick's CPS	(2,503)	40,137
St John's CPS, Tiverton	(6,574)	24,489
St John the Baptist CPS	20,366	21,643
St Joseph's CPS, Exmouth	75,200	110,961
St Joseph's CPS, Newton Abbot	(238,551)	(219,190)
St Mary's CPS, Axminster	(36,069)	(55,669)
St Mary's CPS, Buckfast	-	-
St Nicholas CPS	53,198	87,489
St Augustine's CPS	24,945	(19,417)
St Catherine's CPS, Wimborne	56,226	105,006
St Catherine's CPS, Bridport	(141,215)	(17,461)
St Mary's CPS, Marnhull	(36,125)	3,416
St Mary's Catholic First School	(8,654)	40,795
St Mary's CPS, Swanage	7,794	30,358
St Mary & St Joseph's CPS	125,285	55,432
Holy Cross CPS	75,122	74,594
Keyham Barton CPS	78,243	102,871
Priory CPS	91,932	201,158
Our Lady of the Angels CPS	(176,500)	36,663
Sacred Heart CPS	(51,867)	(15,717)
Notre Dame RC School	241,448	580,274
St Boniface's RC College - Deficit on conversion	-	(111,568)
St Boniface's RC College	(845,534)	(401,139)
St Joseph's CPS, Devonport	51,481	43,903
St Margaret Clitherow CPS	(131,658)	(65,642)
St Paul's CPS	108,727	79,531
St Peter's CPS	26,039	60,810
The Cathedral School of St Mary	160,660	158,900
St Joseph's CPS, Poole	(45,274)	(1,906)
St Mary's CPS, Poole	540,922	533,743
Orchard Nursery	262,640	225,215
Plymouth CAST Central	85,769	(327,647)
Plymouth CAST Central - Capital funds held in restricted	783,417	178,815
St Mary's CPS, Falmouth - Capital funds held in restricted	-	38,933
Holy Cross CPS - Capital funds held in restricted	15,760	15,760
Total before fixed asset fund and pension reserve	1,696,838	2,218,739
Restricted fixed asset fund	25,059,765	25,778,990
Pension reserve	(17,092,000)	(18,872,000)
Total	9,664,603	9,125,729

**PLYMOUTH CAST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. STATEMENT OF FUNDS (continued)

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Our Lady and St Patrick's CPS	(2,503)
St John's CPS, Tiverton	(6,574)
St Joseph's CPS, Newton Abbot	(238,551)
St Mary's CPS, Axminster	(36,069)
St Catherine's CPS, Bridport	(141,215)
St Mary's CPS, Marnhull	(36,215)
St Mary's Catholic First School	(8,654)
Our Lady of the Angels CPS	(176,500)
Sacred Heart CPS	(51,867)
St Boniface's RC College	(845,534)
St Margaret Clitherow CPS	(131,658)
St Joseph's CPS, Poole	(45,274)

During 2017/18 the Trust Board agreed to substantially increase the school improvement team, latterly retitled the education and standards team, in order to ensure that the high level of schools with grades of 'requires improvement' or 'inadequate' were appropriately supported to ensure that the appropriate improvements were made and sustained. This additional cost was not included in the original budget and the resultant recharge to schools moved some schools into operating deficit for the year. The following schools also moved into negative reserves as a result:

- Our Lady and St Patrick's
- St John's Tiverton
- St Mary's Axminster
- St Mary's Marnhull
- St Mary's Catholic First School
- Sacred Heart
- St Joseph's Poole

During the year the Trust produced a recovery plan, which resulted in a number of voluntary severance and redundancies in our schools, the cost of which was significant for a number of schools including Our Lady of the Angels. Also, a small number of schools were unable to 'right size' during the year to reflect reduced pupil numbers and therefore these additional losses were added to the already negative reserves, including:

- St Joseph's Newton Abbot
- St Catherine's Bridport
- St Boniface College
- St Margaret Clitherow

The Academy Trust is currently undertaking stewardship conferences with schools where short to medium term viability is of concern, and all of these schools and others with negative reserves are required to prepare a recovery plan for the Board to approve in January 2019.

PLYMOUTH CAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Christ the King CPS	1,237,673	171,304	43,418	242,959	1,695,354	1,747,681
St Mary's CPS, Bodmin	669,139	153,083	64,165	178,851	1,065,238	1,037,327
St John's CPS, Camborne	559,352	66,736	24,622	158,812	809,522	785,572
St Mary's CPS, Falmouth	590,602	96,096	40,205	216,295	943,198	1,069,545
St Mary's CPS, Penzance	562,443	62,158	30,323	171,391	826,315	955,578
Our Lady's CPS	726,921	156,313	39,380	198,457	1,121,071	1,025,693
Our Lady and St Patrick's CPS	588,893	97,251	51,967	175,945	914,056	913,598
St John's CPS, Tiverton	646,432	114,888	35,938	225,149	1,022,407	1,046,362
St John the Baptist CPS	253,578	42,922	12,996	80,528	390,024	436,112
St Joseph's CPS, Exmouth	531,524	115,107	22,593	151,880	821,104	856,686
St Joseph's CPS, Newton Abbot	476,824	76,138	35,251	163,295	751,508	964,684
St Mary's CPS, Axminster	320,712	54,030	31,446	127,761	533,949	629,496
St Mary's CPS, Buckfast	402,763	53,191	33,016	80,497	569,467	582,101
St Nicholas CPS	892,118	149,357	69,451	357,721	1,468,647	1,489,883
St Augustine's CPS	527,652	102,601	32,537	157,412	820,202	960,167
St Catherine's CPS, Wimborne	563,962	60,370	24,905	190,430	839,667	820,018
St Catherine's CPS, Bridport	600,855	100,423	16,577	157,830	875,685	835,402
St Mary's CPS, Marnhull	261,381	28,630	20,219	73,840	384,070	414,455
St Mary's Catholic First School	445,077	78,452	32,759	115,152	671,440	673,092
St Mary's CPS, Swanage	529,719	63,862	42,479	128,837	764,897	798,173
St Mary & St Joseph's CPS	491,972	51,306	21,845	135,225	700,348	760,641
Holy Cross CPS	767,584	119,229	39,648	239,479	1,165,940	1,180,980
Keyham Barton CPS	638,869	129,513	32,232	184,176	984,790	1,015,786
Priory CPS	554,393	119,317	98,956	199,200	971,866	958,807
Our Lady of the Angels CPS	615,502	83,120	41,924	308,826	1,049,372	886,866
Sacred Heart CPS	758,894	86,748	71,044	182,273	1,098,959	1,132,659

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

Notre Dame RC School	2,677,350	559,463	186,277	783,518	4,206,608	4,203,589
St Boniface's RC College	2,123,534	436,967	298,006	979,633	3,838,140	3,857,301
St Joseph's CPS, Devonport	620,181	85,035	42,476	145,158	892,850	886,196
St Margaret Clitherow CPS	476,205	70,361	25,523	96,276	668,365	716,953
St Paul's CPS	609,176	92,344	49,519	169,225	920,264	942,581
St Peter's CPS	541,716	97,260	27,309	138,627	804,912	807,609
The Cathedral School of St Mary	456,934	58,941	33,391	107,078	656,344	683,229
St Joseph's CPS, Poole	1,190,428	234,611	35,905	280,209	1,741,153	1,728,570
St Mary's CPS, Poole	1,076,415	170,290	62,127	270,317	1,579,149	1,693,847
Plymouth CAST Central	-	1,155,058	-	3,566,736	4,721,794	5,121,372
Orchard Nursery	-	357,547	13,899	66,524	437,970	439,515
	24,986,773	5,750,022	1,784,328	11,205,522	43,726,645	45,058,126

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	As at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	2,408,498	2,080,608	(1,261,215)	(1,398,735)	-	1,829,156
RESTRICTED FUNDS						
General Annual Grant (GAG)	851,431	32,414,251	(34,956,593)	1,196,214	-	(494,697)
High Needs	-	1,493,293	(1,493,293)	-	-	-
Devolved formula capital	242,861	237,847	-	-	-	480,708
Other DfE/ESFA grants	256,074	3,222,375	(3,191,262)	-	-	287,187
Other government grants	-	210,313	(210,313)	-	-	-
Other	-	2,799,027	(2,792,113)	(6,914)	-	-
Non-charitable donations	1,049,133	1,132,685	(1,259,265)	(689,046)	-	233,507
Deficit transferred on conversion from Local Authority	(228,592)	-	111,470	-	-	(117,122)
Pension reserve	(19,293,000)	-	(2,226,000)	2,647,000	-	(18,872,000)
	(17,122,093)	41,509,791	(46,017,369)	3,147,254	-	(18,482,417)

PLYMOUTH CAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion and in year	24,677,877	-	(556,364)	-	-	24,121,513
Fixed assets purchased from GAG	590,298	-	(239,014)	209,435	-	560,719
DfE/ESFA Capital grants	321,490	-	(160,214)	689,046	-	850,322
Local Authority Capital grants	167,480	-	(11,010)	-	-	156,470
Other	54,530	49,278	(13,842)	-	-	89,966
	<u>25,811,675</u>	<u>49,278</u>	<u>(980,444)</u>	<u>898,481</u>	<u>-</u>	<u>25,778,990</u>
Total restricted funds	<u>8,689,582</u>	<u>41,559,069</u>	<u>(46,997,813)</u>	<u>4,045,735</u>	<u>-</u>	<u>7,296,573</u>
Total of funds	<u>11,098,080</u>	<u>43,639,677</u>	<u>(48,259,028)</u>	<u>2,647,000</u>	<u>-</u>	<u>9,125,729</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	25,018,410	25,018,410
Current assets	1,528,259	3,053,689	41,355	4,623,303
Creditors due within one year	-	(2,885,110)	-	(2,885,110)
Pension scheme liability	-	(17,092,000)	-	(17,092,000)
	<u>1,528,259</u>	<u>(16,923,421)</u>	<u>25,059,765</u>	<u>9,664,603</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	25,738,332	25,738,332
Current assets	1,829,156	3,861,824	40,658	5,731,638
Creditors due within one year	-	(3,472,241)	-	(3,472,241)
Pension scheme liability	-	(18,872,000)	-	(18,872,000)
	<u>1,829,156</u>	<u>(18,482,417)</u>	<u>25,778,990</u>	<u>9,125,729</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(3,950,126)	(4,619,351)
Adjustment for:		
Depreciation charges	866,568	974,902
Interest received	(2,964)	(7,799)
Loss on the sale of fixed assets	1,042	4,042
Decrease in debtors	239,091	422,592
(Decrease)/increase in creditors	(587,130)	599,637
Capital grants from DfE and other capital income	(1,095,837)	(1,181,483)
Defined benefit pension scheme obligation inherited	(20,000)	-
Defined benefit pension scheme cost less contributions payable	2,200,000	1,810,000
Defined benefit pension scheme finance cost	529,000	416,000
Net cash used in operating activities	(1,820,356)	(1,581,460)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	3,365,149	4,234,392
	3,365,149	4,234,392

24. GENERAL INFORMATION

Plymouth CAST Limited is a company limited by guarantee, incorporated in England and Wales. The registered office is St Boniface House, Ashburton, Newton Abbot, Devon, TQ13 7JL.

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall Council, Devon County Council and Dorset County Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £519,436 were payable to the schemes at 31 August 2018 (2017: 507,739) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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25. PENSION COMMITMENTS (continued)

they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £2,548,947 (2017: £2,453,672).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £2,315,000 (2017: £2,191,000), of which employer's contributions totalled £1,742,000 (2017: £1,673,000) and employees' contributions totalled £573,000 (2017: £518,000). The agreed contribution rates for future years are 15 - 19% for employers and 5.5 - 12.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

25. PENSION COMMITMENTS (continued)

Cornwall LGPS:

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.4	26.4

Devon LGPS:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.7	25.7
Females	28.0	27.9

Dorset LGPS:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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25. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	10,931,630	9,360,770
Corporate bonds	2,323,410	1,909,130
Property	1,702,090	1,362,370
Cash and other liquid assets	249,870	394,730
Other	3,491,000	2,843,000
	<u>18,698,000</u>	<u>15,870,000</u>
Total market value of assets	<u>18,698,000</u>	<u>15,870,000</u>

The actual return on scheme assets was £870,000 (2017: £1,746,736).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(3,942,000)	(3,483,000)
Past service cost	(95,376)	(47,978)
Interest income	426,000	300,000
Interest cost	(908,000)	(716,000)
	<u>(4,519,376)</u>	<u>(3,946,978)</u>
Total	<u>(4,519,376)</u>	<u>(3,946,978)</u>

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25. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	34,742,000	32,459,000
Current service cost	3,942,000	3,483,000
Interest cost	908,000	716,000
Employee contributions	573,000	518,000
Actuarial gains	(4,055,000)	(2,272,000)
Benefits/transfers paid	(326,000)	(162,000)
Past service costs	47,000	-
Effect of non-routine settlements	(41,000)	-
	<u>35,790,000</u>	<u>34,742,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	15,870,000	13,166,000
Expected return on assets	436,000	309,000
Actuarial gains/(losses)	434,000	375,000
Employer contributions	1,742,000	1,673,000
Employee contributions	573,000	518,000
Benefits/transfers paid	(326,000)	(162,000)
Effect of non-routine settlements	(21,000)	-
Administration expenses	(10,000)	(9,000)
	<u>18,698,000</u>	<u>15,870,000</u>

26. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	28,430	47,471
Between 1 and 5 years	42,853	67,413
Total	<u>71,283</u>	<u>114,884</u>

27. 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.

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28. 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 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.

The following related party transactions took place in the year:

During the year, purchases totalling £40,760 (2017: £40,471) were made from Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR), an entity which is a member. All purchases were delivered at cost, with no element of profit. Plymouth CAST also received income of £2,500 (2017: £15,000) during the year from PRCDTR. At 31 August 2018, Plymouth CAST owed PRCDTR £734 (2017: £Nil).

A notional rent amounting to £1,905,299 (2017: £1,853,478) was charged by Plymouth Diocese for Plymouth CAST's use of Diocesan school land and buildings during the year. A non-charitable donation of the same amount has been recognised to fund this expenditure. Plymouth CAST incurred expenditure totalling £413,996 (2017: £1,309,885) on improvements made to Diocesan property occupied by the Academy Trust.

Between January 2018 and June 2018, the Academy Trust made purchases totalling £40,150 from Kela S Fox Ltd, a company in which Mrs L Sprackman (a member of Key Management Personnel to 30 June 2018 and a Trustee from 14 September 2017 to 31 December 2017) is a director.

Between September 2017 and December 2017, the Academy Trust made purchases totalling £26,979 from KMC Business Consulting Ltd, a company in which Dr K Cook (a member of Key Management Personnel and also a Trustee from 1 January 2018 to 1 July 2018) is a director.

Mrs H Rogerson (wife of Mr D Rogerson, a Trustee) is employed as a Teacher and Teaching Assistant at St Mary's CPS Bodmin. Mrs Rogerson's appointment was made in open competition and Mr Rogerson was not involved in the decision making process. Mrs Rogerson is paid within the normal pay scale for her role and received no special treatment as a result of her relationship with a Trustee.

There are three instances where Headteachers of individual Academies have close family who are also employed by the Trust. These appointments were made in open competition and these Headteachers were not involved in the decision making process. These staff are paid within the normal pay scales for their roles and received no special treatment as a result of their relationship with those Headteachers.

Where contracts for goods or services purchased from connected parties exceeded £2,500 cumulatively in the year, the element above £2,500 has been provided at no more than cost.

29. CONTINGENT LIABILITIES

The Academy Trust is currently involved in an ongoing employment claim. It has not been possible to reliably estimate the outcome of this case, however it is believed that any resulting financial pay out will be covered by the Academy Trust's insurance.

30. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2018 the Academy Trust received £36,549 (2017: £39,173) and disbursed £19,176 (2017: £27,068) from the fund. An amount of £48,564 (2017: £12,015) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

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31. CONTROLLING PARTY

The Trust is under the control of the Bishop of Plymouth by virtue of his ability to appoint the majority of the Board of Trustees.

