

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 2016**

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**Members**

Rt Rev M O'Toole, Bishop of Plymouth  
Rt Rev H C Budd, Bishop Emeritus of Plymouth (resigned 1 September 2015)  
Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR) (resigned 1 September 2015)  
Fr G W Wilberforce, Episcopal Vicar for Formation (resigned 1 September 2015)  
Mr D Wells, Director of Religious Education (resigned 1 September 2015)  
Rev Msgr R Draper, Vicar General (appointed 1 September 2015)  
Rev J Bielawski, Vicar for Evangelisation (appointed 1 September 2015)

**Trustees**

Sir B G Pearse, Chair of Trustees (resigned 1 November 2016)<sup>1,2</sup>  
Mr J R Deacon, Trustee (resigned 6 July 2016)<sup>1</sup>  
Mr B Dagnall, Trustee (resigned 28 September 2016)<sup>2</sup>  
Fr W M Muir, Trustee (resigned 31 August 2016)  
Mrs H Brown, Trustee (resigned 31 December 2015)  
Mr J C Mannix, Chief Executive Officer<sup>1,2</sup>  
Mr N J Pitt, Trustee (resigned 16 March 2016)<sup>1</sup>  
Mrs F B Guppy, Trustee (resigned 9 November 2016)  
Mr E Howard, Trustee (resigned 6 July 2016)  
Mr P R Cotter, Trustee (resigned 9 November 2016)  
Mr G R Johnson, Trustee  
Mr D A Anderson, Chair of Trustees<sup>1,2</sup>  
Mrs J A Scarborough, Trustee (resigned 31 December 2015)  
Mrs H M Brown, Trustee (resigned 9 November 2016)  
Ms S Barreto, Trustee (resigned 31 December 2015)  
Mr N Appleby, Trustee (appointed 17 October 2016)  
Mr D J Rogerson, Trustee (appointed 17 October 2016)<sup>2</sup>  
Fr F Straw, Trustee (appointed 17 October 2016)<sup>1</sup>  
Ms V Towers, Trustee (appointed 9 November 2016)  
Ms M C Edwards, Trustee (appointed 9 November 2016)  
Fr M O'Keeffe, Trustee (appointed 9 November 2016)  
Mr P Bowe, Accounting Officer (appointed 15 December 2016)<sup>1</sup>

<sup>1</sup> Finance Committee

<sup>2</sup> Audit & Risk Committee

**Company registered  
number**

08438686

**Company name**

Plymouth CAST

**Principal and registered  
office**

St Boniface House  
Ashburton  
Newton Abbot  
Devon  
TQ13 7JL

**Accounting Officer**

Mr P Bowe (replacing Mr J Mannix from 15 December 2016)

**Senior management  
team**

Mr J Mannix, Chief Executive Officer  
Mr P Jones, Finance Manager  
Mr R Thorns, HR Manager  
Mrs M Cox, Area Adviser  
Mr N Maslen, Area Adviser  
Mr J Wood, Area Adviser

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**REFERENCE AND ADMINISTRATIVE DETAILS  
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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 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 schools in Cornwall, Devon and Dorset. Its schools have a combined pupil capacity of 8,775 and had a roll of 7,916 in the school census on 21 January 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust was incorporated on 11 March 2013 and opened as an Academy on 1 April 2014. 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.

**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 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 £2,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The management of the 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.

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.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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.

Directors and Governors attend training sessions tailored to the needs of the schools and The Trust and this day is 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 Body (LGB), reviewing the school improvement plan, etc. All Governors regularly attend the schools focussed 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 normally meets six times per year. The Board establishes an overall framework for the governance of the Academy 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.

There are 3 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.
- Personnel 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 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 by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the individual schools to the Headteacher and Senior Management Team (SMT) and Local Governing Body (LGB). The SMT comprises the Headteacher, Deputy Headteacher, Heads of Departments and the Business Manager (dependant on the size of the Academy). The LGB implement those policies laid down by the Trustees and write and implement school particular policies. Should, in the opinion of the Board/Central Management Team, the LGB be found incapable of adequately managing the school then the devolved autonomy of the LGB is suspended and an Enhanced Monitoring Group is installed to work closely with the school to ensure that the nature of its vulnerability is fully understood and any interventions are appropriate to the nature of its problems.

The Trust, as part of the mission of the Catholic Church, implicitly and explicitly recognises the fundamental principles of Catholic Social Teaching (the dignity of the individual, subsidiarity, solidarity and the common good). Whilst these principles inform the Trust's aspirations and strategy, they are also implicitly in the organisational concept and structures. In the latter regard, 'subsidiarity' determines that within the Trust, decisions should be taken as near as possible to their point of impact. Hence the default position within CAST of high levels of autonomy for LGB.

However, applied to organisational structures, 'solidarity'; requires that where local decisions have a wider impact, they should be elevated to the level of the Trust that has the relevant strategic or operational perspective.

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**TRUSTEES' REPORT (continued)  
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Thus, if a decision made by a single school could have clear ramifications for other CAST schools, subsidiarity dictates that the decision should be taken collaboratively by all affected schools e.g. at Area Council level. In the same way, because the Trust employs all the staff at all the schools, terms and conditions cannot be determined in isolation at school level, even though school staff are appointed and managed by their own LGB and management team.

Mr P Bowe is the Accounting Officer (replacing Mr J Mannix from 15 December 2016).

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The 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 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 Trust has adopted an appraisal / performance management policy. All staff, including the SLT 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.

**Connected Organisations, including Related Party Relationships**

Dart Abbey Enterprises Limited is a related organisation as Mr Jonathan Deacon (a Director of Dart Abbey Enterprises Limited) was also a Trustee of Plymouth CAST during the year.

Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR) is a connected party as it is a member of Plymouth CAST. Mr Anthony Akinpelu (Chief Financial Officer until 1 September 2016) is also the Oeconomus and Secretary to the Trustees of PRCDTR.

The transactions with both Dart Abbey Enterprises Limited and 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 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 following directives issued by the Bishop of Plymouth. In relation to any Joint Church school, they shall themselves in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to religious education and daily acts of worship and having regard to the advice of the Diocesan Board of Education. 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 leisuretime 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.

In accordance with this object, Plymouth CAST's aim is to become a network of schools

- where every parent would want their child admitted;
- where every school sector employee would want to work;
- where children of all abilities and backgrounds flourish;
- where all look to for good practice and innovation;
- where vulnerable educational institutions look for support;

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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- where 'the gospel is preached at all times; using words if necessary' (after St Francis).

**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 their Local Governing Bodies.

For the Trust as a whole, the following on-going strategic plan is in place:

Increasing network access to school improvement resources - When Area Advisers, Headteachers, Enhanced Monitoring Groups etc. identify school improvement issues, the flexibility we have in the network means that we can usually secure the financial resources required, even if the school cannot afford to contribute to them from its devolved budget. However, despite having the funding, we can often not identify an available source for the required intervention/support.

Building the sense of ownership, community and pride across the network – The schools in CAST came from seven different local authorities and too little progress has been made to create a community of schools. The Board has changed its strategic direction with the aim of accelerating the change required by applying a common approach to providing solutions, procedures and aspirations across the Trust.

Improve our network approach to school monitoring, reporting and improvement processes – The rate of improvement taken as an average across the whole of CAST has not been fast enough. We are tackling this shortfall by implementing a common pupil tracking system across all the primary schools to enable us to understand where focused attention is required.

Improve company governance practices – The Board in conjunction with third party resources is in the process of reviewing the Governance across the whole of the Trust, its aim is to complete the review and have introduced any changes from the result of the review by the start of the summer term.

Improve CAST financial planning processes and practices - When we designed CAST's financial infrastructure, we attempted to change as little as possible of the schools' existing financial practices and systems. However, the result of this approach is that the current system is not well suited either to the schools or to the requirements for central processing and reporting. The school administrators/business managers together with the central team and the Area Finance Officers have managed to make the system work well enough to meet the requirements of our external auditors and the EFA returns but only at significant and costly additional effort from all involved plus external support. It is the Board's intention to install a fit for purpose financial and HR suite across all the Schools by the end of this year (2016/17).

Key school performance judgments – Central support for schools has now been increased to enable it to support all HR and financial requirements. This will in turn now allow the Area Advisers to concentrate on improving/supporting Teaching and Learning in individual schools. As also noted on the plans for future periods, individual Trustees have key responsibilities aimed at each aspect of school performance.

Improving recruitment of staff to CAST schools - Teacher recruitment and retention is a national concern. Further, the requirement to recruit Catholic Headteachers has proved to be extremely difficult. To tackle this problem, a full time Recruitment & Development Co-ordinator has now been recruited within CAST with responsibility for designing processes to encourage young people to consider teaching as a profession, attracting NQTs and experienced staff to CAST schools, ensuring that comprehensive professional development opportunities are available up to and including preparation for headship in Catholic schools.

**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**

This was the second full year of the Academy Trust's operation. Our headline data is presented below:

|                                                                                                          | <b>Plymouth CAST</b> | <b>National</b> |
|----------------------------------------------------------------------------------------------------------|----------------------|-----------------|
| Percentage achieving combined reading, writing and maths at the expected level at the end of key stage 2 | 49%                  | 52%             |
| Average combined scale score for reading and maths at the end of key stage 2                             | 102.8                | 102.7           |
| Percentage passing phonics screening test in Year 1                                                      | 82%                  | 81%             |
| Reading progress score at the end of key stage 2                                                         | 0.7                  | 0               |
| Writing progress score at the end of key stage 2                                                         | -2.4                 | 0               |
| Maths progress score at the end of key stage 2                                                           | -0.5                 | 0               |

|                     | <b>Attainment 8</b> | <b>% A*-C English &amp; Maths</b> | <b>Progress 8</b> |
|---------------------|---------------------|-----------------------------------|-------------------|
| Notre Dame          | 4.9                 | 62                                | +0.02             |
| St Boniface College | 4.6                 | 50                                | -0.31             |
| Plymouth CAST       | 4.8                 | 57                                | -0.13             |
| National Average    | 4.9                 | 62                                | 0                 |

**East Area**

The combined score for the schools in the East of Plymouth CAST for reading, writing and maths at the expected level was 54% which was above the national average of 52%. The percentage of Year 1 children passing the phonics screening test in Plymouth CAST East was 82% which was above the national average of 81%. 70% of children at Early Years Foundation Stage achieved a Good Level of Development, with the national at 66%.

St Augustine's, Weymouth secured 72% combined reading, writing and maths at the expected level.

One school was inspected in 2015/16. The Orchard Nursery achieved an outstanding judgment in all areas in its inspection in March 2016.

**Central Area**

The combined score for the schools in the Central CAST area for reading, writing and maths at the expected level was 49.1% which is below the national average by 2.9%. Each school's action plans are addressing their own specific issues. In the Headteachers council in October, the specific issues were identified, and it was agreed that the next available inset day February 2017 would be used to deliver specific training towards improving these outcomes. A speaker has been identified and the planning for the day was undertaken.

The percentage of Year 1 children passing the phonics screening test in Central area was 78%, which was 2% below the national average of 81%. 70% of children in Early Years Foundation Stage achieved a Good Level of Development with the national level being 66%.

The highest performing school was St Marys Buckfast who secured 89% combined reading, writing and maths at the expected level.

One school was inspected. In a non-designated inspection, St Joseph's Newton Abbot's safeguarding processes were found not to be adequate in June 2016. Since the first inspection, a further visit from OFSTED confirmed that the provision was good and that children were safe – this was the result of a very tightly managed action plan, developed jointly by central CAST staff and the new school leadership.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

**West Area**

The combined score for the primary schools in the West of Plymouth CAST for reading, writing and maths combined was 51%, 1% below the national average. Analysis of progress from FFT Aspire show that progress scores were positive and the schools were above the national average for scaled scores. The percentage of Year 1 children passing the phonics score was 86% compared to a national average of 81% and 69% of children achieved a Good Level of Development at the end of the Early Years Foundation Stage. Key stage results were all in line with national averages.

The highest performing schools were St John's Camborne and St Mary's Falmouth achieving 69% and 68% in reading, writing and maths combined respectively. Both schools achieved positive progress scores for each subjects.

**Network Developments**

- The second year of the Early Years' Network working in collaboration with Early Excellence across the East Area schools
- Plymouth CAST Middle Leader training
- Cross network writing moderation sessions established in the East and West with the East area working with Somerset Literacy Network
- The second year of the SENCo/Inclusion network working in conjunction with an independent educational psychologist
- Governor training sessions
- Maths, English, SEN and EYFS Hubs in place and showing impact in Maths results
- C.A.S.T. Teaching and Learning programme developed and delivered to first cohort

**Key Performance Indicators**

A key financial performance indicator for an Academy Trust is the level of reserves held at the Balance Sheet date, and to that extent the management of spending against General Annual Grant (GAG) requires special attention. For the period under review, £851,431 was carried forward representing 2.7% of GAG.

The following table details a selection of performance indicators and the comparative benchmark data based on the Kreston Academies Benchmark Report 2016:

|                                            | <b>Plymouth CAST</b> | <b>2016 Benchmark Data</b> |
|--------------------------------------------|----------------------|----------------------------|
| Pupil to Teacher ratio                     | 15.9                 | 19.1                       |
| Total Income per pupil Full Year           | £5,443               | £6,068                     |
| Total GAG per pupil Full Year              | £4,016               | £4,480                     |
| Ratio of GAG to Total Income               | 73.8%                | 74.9%                      |
| Staff Costs per pupil Full Year            | £4,025               | £4,141                     |
| LGPS Deficit per pupil                     | £2,437               | £1,332                     |
| LGPS Deficit per Non-Teaching Staff Member | £15,866              | £22,210                    |
| Fixed Assets Value per pupil               | £9,927               | £13,144                    |
| Premises Costs per pupil Full Year         | £43                  | £100                       |
| Surplus/(Deficit) to Total Income          | -1.0%                | 13.2%                      |

GAG Funding per pupil is below the benchmark given as our academies operate in lower funded Local Authorities.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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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**

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) 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, total expenditure of £43,530,979 was covered by total income of 43,084,691 and brought forward funds. The excess of expenditure over income for the year (excluding restricted fixed asset funds and before transfers) was £1,386,368.

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 2016 the net book value of fixed assets was £78,585,930 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the 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 26 to the financial statements.

Key financial policies adopted or reviewed during the year include a Finance Policy which sets out the framework for financial management, including financial responsibilities of the Board, Headteachers, Managers, Budget Holders and other staff, as well as delegated authority for spending. Other policies adopted included Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

The 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, and provided that the expenditure for each school is undertaken within the respective levels of delegation, the Local Governing Bodies can appropriate these reserves as they deem fit. Reserves from the Central function are allocated based on the priorities of the Board of Trustees and Chief Executive Officer. It is expected that moving forward Trustees will review the future plans of the Multi-Academy trust and set-aside designated reserves as appropriate to maintain the stable progression of the Trust.

The Trust's policy is to aim to hold enough free reserves to cover one month of expenditure. 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). More significantly, as CAST's fundamental goal is school improvement, some reserves have been earmarked for interventions in vulnerable schools that are being implemented in 2016-17. The Trust held free reserves of £3,259,929 at the year end. Cash held at the year end of £5,517,373 included £1,068,565 in respect of capital funding.

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.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 principal risks and uncertainties facing the Academy are as follows:

- **Financial**  
The Trust has considerable reliance on continued Government funding through the EFA. In the last year 89% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- **Failures in governance and/or management**  
The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- **Reputational**  
The continuing success of the Trust is dependent on continuing to attract pupils and staff in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- **Safeguarding and child protection**  
The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- **Staffing**  
The success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- **Fraud and mismanagement of funds**  
The Trust has appointed an external body (Devon Audit Partnership) to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The Trust has agreed a Risk Management Strategy and a Risk Register. These have been discussed by Trustees and include the financial risks to the Trust. The register is regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the 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 Trustees examine the financial health formally twice termly. They review performance against budgets and

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FOR THE YEAR ENDED 31 AUGUST 2016**

overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The 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 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 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The statements made in the preceding section were correct at the end of the 2015/16 year. It is perhaps appropriate here to outline the changes that have taken place at the start of the 2016/17 year.

There has been a major change to the Board of Trustees. Sir Brian Pearse resigned and the recommendations of Lord Nash (to have no employees on the Board) have been implemented (with the exception of the CEO who is ex officio a Trustee) so that the new Trustees list is as follows:

| <b>Name</b>                         | <b>Date of Appointment</b> | <b>Position</b>               | <b>Lead Responsibility</b> |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|
| D A(Sandy) Anderson <sup>1, 2</sup> | 11 December 2013           | Chair (as of 23/11/16)        | Buildings                  |
| N Appleby <sup>1</sup>              | 17 October 2016            | Deputy Chair (as of 23/11/16) | More Able Pupils           |
| M Edwards                           | 9 November 2016            |                               | Safeguarding               |
| G Johnson                           | 11 December 2013           |                               | Disadvantaged Pupils       |
| Fr M O'Keeffe                       | 9 November 2016            |                               | RE & Section 48            |
| Fr F Straw <sup>1</sup>             | 17 October 2016            |                               | Finance                    |
| V Towers                            | 9 November 2016            |                               | SEN & Disabled Pupils      |
| D Rogerson <sup>2</sup>             | 17 October 2016            |                               | Audit & Risk               |
| P Bowe <sup>1</sup>                 | 15 December 2016           | Accounting Officer            |                            |
| J Mannix                            | 18 December 2013           | Chief Executive Officer       |                            |

<sup>1</sup> Finance Committee

<sup>2</sup> Audit & Risk Committee

The Board is now made up of six Foundation Governors appointed by the Bishop, 3 Academy Directors and up to 2 co-opted Directors to ensure that there is a good skills mix to give strategic direction and strong governance. Each of the Trustees have a special responsibility as indicated in the table above.

The Senior Management Team has been expanded to include Marcus Taylor as Chief Operating Officer.

The level of internal capacity in our schools has been increased through the provision of core training programmes in: Financial Planning, Management and Administration, Effective Governance and Managing for Staff Development.

The level of consistency, feedback and benchmarking for our schools has been increased by implementing CAST wide use of Target Tracker and a focused assessment strategy for our Area Advisers.

A "fit for purpose" financial and HR system is being implemented across the Trust.

Terms and Conditions for all CAST employees are being harmonised and we are working towards greater standardisation of procedures and processes across the Trust.

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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 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. 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.

**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, approved by order of the Board of Trustees, as company directors, on 15 December 2016 and signed on the board's behalf by:



**Mr D A Anderson  
Chair of Trustees**

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

**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.

During the year, the Board of Trustees 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 6 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 |
|----------------------------------------|-------------------|-------------------|
| Sir B G Pearse, Chair of Trustees      | 6                 | 6                 |
| Mr J R Deacon, Trustee                 | 3                 | 5                 |
| Mr B Dagnall, Trustee                  | 5                 | 6                 |
| Fr W M Muir, Trustee                   | 5                 | 6                 |
| Mrs H Brown, Trustee                   | 1                 | 2                 |
| Mr J C Mannix, Chief Executive Officer | 6                 | 6                 |
| Mr N J Pitt, Trustee                   | 1                 | 2                 |
| Mrs F B Guppy, Trustee                 | 4                 | 6                 |
| Mr E Howard, Trustee                   | 3                 | 5                 |
| Mr P R Cotter, Trustee                 | 5                 | 6                 |
| Mr G R Johnson, Trustee                | 6                 | 6                 |
| Mr D A Anderson, Chair of Trustees     | 6                 | 6                 |
| Mrs J A Scarborough, Trustee           | 0                 | 2                 |
| Mrs H M Brown, Trustee                 | 6                 | 6                 |
| Ms S Barreto, Trustee                  | 2                 | 2                 |
| Mr N Appleby, Trustee                  | 0                 | 0                 |
| Mr D J Rogerson, Trustee               | 0                 | 0                 |
| Fr F Straw, Trustee                    | 0                 | 0                 |
| Ms V Towers, Trustee                   | 0                 | 0                 |
| Ms M C Edwards, Trustee                | 0                 | 0                 |
| Fr M O'Keeffe, Trustee                 | 0                 | 0                 |
| Mr P Bowe, Accounting Officer          | 0                 | 0                 |

The Trustees visited all of the schools within The Trust to personally explain the governance structure as well as hold Q&A sessions with all of the staff. Each of the Trustees received training so that the presentations were professional and consistent.

A review of the Trustees has taken place since the end of August to identify the skills that each Trustees brings to the MAT, as well as distinguishing any shortfalls that should be addressed. This process has already established the need for a finance professional, with educational experience and an appointment has been proposed.

The **Finance Committee** is a committee of the Board which consists of no fewer than three members including the Chair of Trustees and 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 6 times a year, depending on the priorities that arise within any one term.

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

**GOVERNANCE STATEMENT (continued)**

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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

Attendance at meetings in the year was as follows:

| Trustee                                | Meetings attended | Out of a possible |
|----------------------------------------|-------------------|-------------------|
| Sir B G Pearse, Chair of Trustees      | 5                 | 5                 |
| Mr J R Deacon, Trustee                 | 2                 | 2                 |
| Mr J C Mannix, Chief Executive Officer | 4                 | 5                 |

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 6 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 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:

| Trustee                                | Meetings attended | Out of a possible |
|----------------------------------------|-------------------|-------------------|
| Sir B G Pearse, Chair of Trustees      | 5                 | 5                 |
| Mr J C Mannix, Chief Executive Officer | 4                 | 5                 |
| Mr B Dagnall, Trustee                  | 5                 | 5                 |
| Mr D A Anderson, Trustee               | 5                 | 5                 |

**REVIEW OF VALUE FOR MONEY**

The Accounting 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.



**GOVERNANCE STATEMENT (continued)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2015 to 31 August 2016 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 2015 to 31 August 2016 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 as internal auditor.

Devon Audit Partnership has been engaged by Plymouth CAST to provide an independent assurance of the control framework in accordance with the Academies Financial Handbook 2015. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During 2015/16, a sample of schools have been audited by Devon Audit Partnership and an action plan has been developed to ensure all recommendations are addressed in 2016/17. In addition, a follow up has been completed of the points raised in 2014/15.

An independent assurance review has also been undertaken by the external auditors, Bishop Fleming LLP, of CAST Central (Head Office) to review the overall control environment, governance and regularity of CAST's central function in accordance with the Academies Financial Handbook 2015. This engagement was undertaken to compliment the independent reviews that have been carried out on a sample of the individual schools. This review identified a number of areas for improvement which have been communicated to the Accounting Officer and Chief Financial Officer. An action plan is being developed which will be reviewed and monitored by the Audit and Risk Committee.

**GOVERNANCE STATEMENT (continued)**

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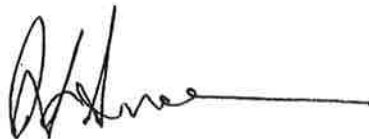
**REVIEW OF EFFECTIVENESS**

The Accounting 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;
- 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 15 December 2015 and signed on its behalf, by



**Mr D A Anderson  
Chair of Trustees**



**Mr P Bowe  
Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Plymouth CAST I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

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.

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 EFA.



**Mr P Bowe  
Accounting Officer**

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

---

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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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:



**Mr D A Anderson  
Chair of Trustees**

**Date: 15 December 2016**

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

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

---

We have audited the financial statements of Plymouth CAST for the year ended 31 August 2016 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 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 Trustees for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, 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.

*Bishop Fleming LLP*

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: 22/12/16

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

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

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In accordance with the terms of our engagement letter dated 1 July 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Plymouth CAST and EFA 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 EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 FUNDING AGENCY (continued)**

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**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 2015 to 31 August 2016 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: 22/12/16



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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

|                                                                                        | Note | Unrestricted<br>funds<br>2016<br>£ | Restricted<br>funds<br>2016<br>£ | Restricted<br>fixed asset<br>funds<br>2016<br>£ | Total<br>funds<br>2016<br>£ | Total<br>funds<br>2015<br>£ |
|----------------------------------------------------------------------------------------|------|------------------------------------|----------------------------------|-------------------------------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>                                                                    |      |                                    |                                  |                                                 |                             |                             |
| Donations & capital grants:                                                            |      |                                    |                                  |                                                 |                             |                             |
| Transfer from the Diocese of<br>Plymouth and Local<br>Authorities                      | 2    | -                                  | -                                | 1,946,543                                       | 1,946,543                   | 2,912,858                   |
| Other donations and capital<br>grants                                                  | 2    | -                                  | 511,632                          | 1,598,607                                       | 2,110,239                   | 4,907,046                   |
| Charitable activities                                                                  | 5    | 1,987,723                          | 36,924,615                       | -                                               | 38,912,338                  | 38,600,320                  |
| Other trading activities                                                               | 3    | 106,269                            | -                                | -                                               | 106,269                     | 115,973                     |
| Investments                                                                            | 4    | 9,302                              | -                                | -                                               | 9,302                       | 16,260                      |
| <b>TOTAL INCOME</b>                                                                    |      | <b>2,103,294</b>                   | <b>37,436,247</b>                | <b>3,545,150</b>                                | <b>43,084,691</b>           | <b>46,552,457</b>           |
| <b>EXPENDITURE ON:</b>                                                                 |      |                                    |                                  |                                                 |                             |                             |
| Raising funds                                                                          |      | 32,036                             | -                                | -                                               | 32,036                      | 28,598                      |
| Charitable activities                                                                  |      | 1,089,972                          | 39,803,901                       | 2,605,070                                       | 43,498,943                  | 42,164,475                  |
| Other expenditure                                                                      | 6    | -                                  | -                                | -                                               | -                           | 3,083,517                   |
| <b>TOTAL EXPENDITURE</b>                                                               | 6    | <b>1,122,008</b>                   | <b>39,803,901</b>                | <b>2,605,070</b>                                | <b>43,530,979</b>           | <b>45,276,590</b>           |
| <b>NET INCOME /<br/>(EXPENDITURE) BEFORE<br/>TRANSFERS</b>                             |      |                                    |                                  |                                                 |                             |                             |
| Transfers between Funds                                                                | 19   | 981,286<br>(2,670,680)             | (2,367,654)<br>2,159,032         | 940,080<br>511,648                              | (446,288)<br>-              | 1,275,867<br>-              |
| <b>NET INCOME /<br/>(EXPENDITURE) BEFORE<br/>OTHER RECOGNISED<br/>GAINS AND LOSSES</b> |      |                                    |                                  |                                                 |                             |                             |
|                                                                                        |      | (1,689,394)                        | (208,622)                        | 1,451,728                                       | (446,288)                   | 1,275,867                   |
| Actuarial losses on defined<br>benefit pension schemes                                 | 26   | -                                  | (8,033,000)                      | -                                               | (8,033,000)                 | (164,000)                   |
| <b>NET MOVEMENT IN FUNDS</b>                                                           |      | <b>(1,689,394)</b>                 | <b>(8,241,622)</b>               | <b>1,451,728</b>                                | <b>(8,479,288)</b>          | <b>1,111,867</b>            |
| <b>RECONCILIATION OF FUNDS:</b>                                                        |      |                                    |                                  |                                                 |                             |                             |
| Total funds brought forward                                                            |      | 4,097,892                          | (9,914,824)                      | 78,173,504                                      | 72,356,572                  | 71,244,705                  |
| <b>TOTAL FUNDS CARRIED<br/>FORWARD</b>                                                 |      | <b>2,408,498</b>                   | <b>(18,156,446)</b>              | <b>79,625,232</b>                               | <b>63,877,284</b>           | <b>72,356,572</b>           |


The notes on pages 26 to 56 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 AUGUST 2016**

|                                                                | Note | £                  | 2016<br>£                       | £                   | 2015<br>£                |
|----------------------------------------------------------------|------|--------------------|---------------------------------|---------------------|--------------------------|
| <b>FIXED ASSETS</b>                                            |      |                    |                                 |                     |                          |
| Tangible assets                                                | 14   |                    | <b>78,585,930</b>               |                     | 77,301,290               |
| <b>CURRENT ASSETS</b>                                          |      |                    |                                 |                     |                          |
| Debtors                                                        | 15   | <b>1,919,837</b>   |                                 | 2,620,635           |                          |
| Cash at bank and in hand                                       |      | <b>5,517,373</b>   |                                 | 6,200,367           |                          |
|                                                                |      |                    | <u><b>7,437,210</b></u>         | <u>8,821,002</u>    |                          |
| <b>CREDITORS: amounts falling due within one year</b>          | 16   | <b>(2,741,288)</b> |                                 | <b>(3,521,780)</b>  |                          |
| <b>NET CURRENT ASSETS</b>                                      |      |                    | <u><b>4,695,922</b></u>         |                     | <u>5,299,222</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                    | <b>83,281,852</b>               |                     | <b>82,600,512</b>        |
| <b>CREDITORS: amounts falling due after more than one year</b> | 17   |                    | <b>(111,568)</b>                |                     | <b>(222,940)</b>         |
| <b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>         |      |                    | <u><b>83,170,284</b></u>        |                     | <u>82,377,572</u>        |
| Defined benefit pension scheme liability                       | 27   |                    | <b>(19,293,000)</b>             |                     | <b>(10,021,000)</b>      |
| <b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>         |      |                    | <u><u><b>63,877,284</b></u></u> |                     | <u><u>72,356,572</u></u> |
| <b>FUNDS OF THE ACADEMY TRUST</b>                              |      |                    |                                 |                     |                          |
| Restricted income funds:                                       |      |                    |                                 |                     |                          |
| Restricted income funds                                        | 19   | <b>1,136,554</b>   |                                 | 106,176             |                          |
| Restricted fixed asset funds                                   | 19   | <b>79,625,232</b>  |                                 | 78,173,504          |                          |
|                                                                |      |                    | <u><b>80,761,786</b></u>        | <u>78,279,680</u>   |                          |
| Restricted income funds excluding pension liability            |      |                    | <b>(19,293,000)</b>             | <b>(10,021,000)</b> |                          |
| Pension reserve                                                |      |                    |                                 |                     |                          |
| Total restricted income funds                                  |      |                    | <b>61,468,786</b>               |                     | <b>68,258,680</b>        |
| Unrestricted income funds                                      | 19   |                    | <b>2,408,498</b>                |                     | <b>4,097,892</b>         |
| <b>TOTAL FUNDS</b>                                             |      |                    | <u><u><b>63,877,284</b></u></u> |                     | <u><u>72,356,572</u></u> |

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2016 and are signed on their behalf, by:



**Mr D A Anderson  
Chair of Trustees**

The notes on pages 26 to 56 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

|                                                        | <b>Note</b> | <b>2016<br/>£</b>  | <b>2015<br/>£</b> |
|--------------------------------------------------------|-------------|--------------------|-------------------|
| <b>Cash flows from operating activities</b>            |             |                    |                   |
| Net cash (used in)/provided by operating activities    | 21          | <b>(584,697)</b>   | 2,570,388         |
| <b>Cash flows from investing activities:</b>           |             |                    |                   |
| Dividends, interest and rents from investments         |             | <b>9,302</b>       | 16,260            |
| Purchase of tangible fixed assets                      |             | <b>(1,943,167)</b> | (1,757,843)       |
| Capital grants from DfE/EFA                            |             | <b>1,835,568</b>   | -                 |
| <b>Net cash used in investing activities</b>           |             | <b>(98,297)</b>    | (1,741,583)       |
| <b>Change in cash and cash equivalents in the year</b> |             | <b>(682,994)</b>   | 828,805           |
| Cash and cash equivalents brought forward              |             | <b>6,200,367</b>   | 5,371,562         |
| <b>Cash and cash equivalents carried forward</b>       | 22          | <b>5,517,373</b>   | 6,200,367         |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donation and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Plymouth CAST prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Plymouth CAST for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

**1.2 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 and include grants from the Department for Education.

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**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**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.

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

All resources expended are inclusive of irrecoverable VAT.

**PLYMOUTH CAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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 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 and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed 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 |
| Motor vehicles                | - | 25% reducing balance |
| Fixtures and fittings         | - | 20% straight line    |
| Computer equipment            | - | 33% straight line    |

The Trust has been granted use of the school buildings from the Plymouth Roman Catholic Diocesan Trustees Registered under Supplemental Agreements for each school. The Academies Accounts Direction prescribes that under these agreements the risks and rewards of ownership remain with the Trust. The land and buildings have been included within the long-term leasehold property of the Trust.

The Supplemental Agreements include the right for the Plymouth Roman Catholic Diocesan Trustees Registered to give not less than 2 years written notice to the 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.

**PLYMOUTH CAST  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 OPERATING LEASES**

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

**1.8 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 TAXATION**

The 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 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.

**1.10 DEBTORS**

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

**1.11 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.

**1.12 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.

**1.13 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Trust.

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 26, 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.

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.15 AGENCY ARRANGEMENTS**

The Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the 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 25.



**1. ACCOUNTING POLICIES (continued)**

**1.16 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the 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 an asset and liability to be recognised in the Balance Sheet.

**PLYMOUTH CAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

|                                                                | <b>Unrestricted<br/>funds<br/>2016<br/>£</b> | <b>Restricted<br/>funds<br/>2016<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2015<br/>£</b> |
|----------------------------------------------------------------|----------------------------------------------|--------------------------------------------|------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Transfer from the Diocese of<br>Plymouth and Local Authorities | -                                            | -                                          | <b>1,946,543</b>                                           | <b>1,946,543</b>                      | 2,912,858                             |
| Donations                                                      | -                                            | <b>511,632</b>                             | -                                                          | <b>511,632</b>                        | 717,115                               |
| Capital Grants                                                 | -                                            | -                                          | <b>1,598,607</b>                                           | <b>1,598,607</b>                      | 4,189,931                             |
| Subtotal                                                       | -                                            | <b>511,632</b>                             | <b>1,598,607</b>                                           | <b>2,110,239</b>                      | 4,907,046                             |
|                                                                | -                                            | <b>511,632</b>                             | <b>3,545,150</b>                                           | <b>4,056,782</b>                      | 7,819,904                             |

In 2015, of the total income from donations and capital grants, £70,343 was unrestricted funds and £4,836,703 was restricted funds.

Transfer from the Diocese of Plymouth and Local Authorities

This income relates to leasehold land and buildings that have been transferred to Plymouth CAST for Holy Cross CPS (2015: St Mary's CPS, Swanage) to operate from. Although this site has not been formally transferred, given that the school was occupying the site from the start of the year, the transfer has been recognised in the financial statements to reflect the substance of the transaction. This treatment is on the same basis as applied in prior years.

**PLYMOUTH CAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. OTHER TRADING ACTIVITIES**

|                   | <b>Unrestricted<br/>funds<br/>2016<br/>£</b> | <b>Restricted<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2015<br/>£</b> |
|-------------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| Lettings          | 79,580                                       | -                                          | 79,580                                | 93,892                                |
| External Catering | 20,730                                       | -                                          | 20,730                                | 20,635                                |
| Other             | 5,959                                        | -                                          | 5,959                                 | 1,446                                 |
|                   | <u>106,269</u>                               | <u>-</u>                                   | <u>106,269</u>                        | <u>115,973</u>                        |

In 2015, of the total income from other trading activities, £115,973 was unrestricted funds and £ NIL was restricted funds.

**4. INVESTMENT INCOME**

|               | <b>Unrestricted<br/>funds<br/>2016<br/>£</b> | <b>Restricted<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2016<br/>£</b> | <b>Total<br/>funds<br/>2015<br/>£</b> |
|---------------|----------------------------------------------|--------------------------------------------|---------------------------------------|---------------------------------------|
| Bank interest | 9,302                                        | -                                          | 9,302                                 | 16,260                                |
|               | <u>9,302</u>                                 | <u>-</u>                                   | <u>9,302</u>                          | <u>16,260</u>                         |

In 2015, of the total investment income, £16,260 was unrestricted funds and £ NIL was restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. INCOME FROM CHARITABLE ACTIVITIES**

|           | Unrestricted<br>funds<br>2016<br>£ | Restricted<br>funds<br>2016<br>£ | Total<br>funds<br>2016<br>£ | Total<br>funds<br>2015<br>£ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Education | 581,860                            | 36,902,081                       | 37,483,941                  | 37,348,191                  |
| Nursery   | 1,405,863                          | 22,534                           | 1,428,397                   | 1,252,129                   |
|           | <u>1,987,723</u>                   | <u>36,924,615</u>                | <u>38,912,338</u>           | <u>38,600,320</u>           |

In 2015, of the total income from charitable activities, £1,727,695 was unrestricted funds and £36,872,625 was restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

|                                     | Unrestricted<br>funds<br>2016<br>£ | Restricted<br>funds<br>2016<br>£ | Total<br>funds<br>2016<br>£ | Total<br>funds<br>2015<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/EFA grants</b>               |                                    |                                  |                             |                             |
| DFC                                 | -                                  | 236,961                          | 236,961                     | 238,913                     |
| General Annual Grant                | -                                  | 31,794,567                       | 31,794,567                  | 31,947,565                  |
| Other DfE/EFA grants                | -                                  | 3,400,554                        | 3,400,554                   | 3,261,845                   |
|                                     | <u>-</u>                           | <u>35,432,082</u>                | <u>35,432,082</u>           | <u>35,448,323</u>           |
| <b>Other government grants</b>      |                                    |                                  |                             |                             |
| High Needs                          | -                                  | 1,184,862                        | 1,184,862                   | 1,038,345                   |
| Other government grants non capital | -                                  | 132,741                          | 132,741                     | 252,148                     |
|                                     | <u>-</u>                           | <u>1,317,603</u>                 | <u>1,317,603</u>            | <u>1,290,493</u>            |
| <b>Other funding</b>                |                                    |                                  |                             |                             |
| Internal catering income            | 421,463                            | -                                | 421,463                     | 370,359                     |
| Sales to students                   | 51,770                             | -                                | 51,770                      | 46,091                      |
| Other                               | 108,627                            | 152,396                          | 261,023                     | 192,925                     |
|                                     | <u>581,860</u>                     | <u>152,396</u>                   | <u>734,256</u>              | <u>609,375</u>              |
|                                     | <u>581,860</u>                     | <u>36,902,081</u>                | <u>37,483,941</u>           | <u>37,348,191</u>           |

In 2015, of the total income from charitable activities, £487,280 was unrestricted funds and £36,860,911 was restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**6. EXPENDITURE**

|                                    | Staff costs<br>2016<br>£ | Premises<br>2016<br>£ | Other costs<br>2016<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|------------------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on fundraising trading | -                        | -                     | 32,036                   | 32,036             | 28,598             |
| Education:                         | -                        | -                     | -                        | -                  | -                  |
| Direct costs                       | 26,842,495               | 1,746,760             | 3,473,179                | 32,062,434         | 30,244,764         |
| Support costs                      | 4,448,313                | 2,382,958             | 3,726,199                | 10,557,470         | 10,946,375         |
| Nursery:                           | -                        | -                     | -                        | -                  | -                  |
| Direct costs                       | 315,318                  | 42,953                | 81,541                   | 439,812            | 442,274            |
| Support costs                      | 258,813                  | 58,286                | 122,128                  | 439,227            | 364,062            |
| Other resources expended           | -                        | -                     | -                        | -                  | 3,083,517          |
| <b>Total</b>                       | <b>31,864,939</b>        | <b>4,230,957</b>      | <b>7,435,083</b>         | <b>43,530,979</b>  | <b>45,109,590</b>  |

During the prior year, Plymouth CAST surrendered a supplemental agreement for the occupation and use of land and buildings at St Mary's CPS (Swanage), that was in place with Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR). The surrender led to a disposal of the £3,083,517 carrying value of the land and buildings at the date of surrender. This surrender was made after the school moved to a new site that was purpose built by the Local Authority, which was recognised as a transfer in from PRCDTR (Note 2).

**7. DIRECT COSTS**

|                       | Education<br>£    | Nursery<br>£   | Total<br>2016<br>£ | Total<br>2015<br>£ |
|-----------------------|-------------------|----------------|--------------------|--------------------|
| Pension finance costs | 276,405           | 9,478          | 285,883            | 285,000            |
| Educational supplies  | 1,631,587         | 48,408         | 1,679,995          | 1,465,945          |
| Examination fees      | 149,719           | -              | 149,719            | 152,143            |
| Staff development     | 394,242           | 13,322         | 407,564            | 306,884            |
| Other costs           | 601,026           | -              | 601,026            | 619,759            |
| Supply teachers       | 483,195           | 194            | 483,389            | 441,907            |
| Wages and salaries    | 20,861,075        | 249,183        | 21,110,258         | 20,935,922         |
| National insurance    | 1,501,705         | 16,704         | 1,518,409          | 1,332,772          |
| Pension cost          | 3,996,520         | 49,237         | 4,045,757          | 3,550,812          |
| Depreciation          | 2,166,960         | 53,286         | 2,220,246          | 1,876,093          |
|                       | <b>32,062,434</b> | <b>439,812</b> | <b>32,502,246</b>  | <b>30,967,237</b>  |

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**8. SUPPORT COSTS**

|                                       | Education<br>£    | Nursery<br>£   | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------------------------|-------------------|----------------|--------------------|--------------------|
| Pension finance costs                 | 90,997            | 3,120          | 94,117             | 77,000             |
| Educational supplies                  | 13,716            | -              | 13,716             | 11,673             |
| Other costs                           | 33,365            | 27,829         | 61,194             | 53,180             |
| Recruitment and support               | 234,223           | 6,764          | 240,987            | 292,998            |
| Maintenance of premises and equipment | 565,375           | 20,588         | 585,963            | 961,061            |
| Cleaning                              | 530,648           | 28,840         | 559,488            | 531,293            |
| Rent and rates                        | 328,009           | 8,890          | 336,899            | 433,585            |
| Energy costs                          | 516,482           | 18,170         | 534,652            | 489,110            |
| Insurance                             | 341,600           | 11,235         | 352,835            | 446,602            |
| Security and transport                | 133,984           | 2,865          | 136,849            | 148,919            |
| Catering                              | 1,377,026         | 16,246         | 1,393,272          | 1,277,925          |
| Technology costs                      | -                 | 1,731          | 1,731              | 3,368              |
| Office overheads                      | 614,814           | 18,357         | 633,171            | 717,046            |
| Legal and professional                | 69,709            | 5,086          | 74,795             | 133,347            |
| Bank interest and charges             | 3,264             | 787            | 4,051              | 1,593              |
| Educational Consultancy               | 766,977           | -              | 766,977            | 792,965            |
| Governance                            | 121,055           | 400            | 121,455            | 121,628            |
| Wages and salaries                    | 3,514,946         | 216,296        | 3,731,242          | 3,471,926          |
| National insurance                    | 160,003           | 7,883          | 167,886            | 136,976            |
| Pension cost                          | 765,959           | 34,634         | 800,593            | 767,761            |
| Depreciation                          | 375,318           | 9,506          | 384,824            | 327,282            |
|                                       | <b>10,557,470</b> | <b>439,227</b> | <b>10,996,697</b>  | <b>11,197,238</b>  |

**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

|                                                      | 2016<br>£ | 2015<br>£ |
|------------------------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets:               |           |           |
| - owned by the charity                               | 2,605,070 | 2,203,375 |
| Auditors' remuneration - audit                       | 19,250    | 18,850    |
| Auditors' remuneration - other services              | 30,600    | 26,670    |
| Internal audit costs                                 | 8,065     | 7,500     |
| Operating lease rentals                              | 124,067   | 168,398   |
| Loss on disposal of assets                           | -         | 19,085    |
| Loss on surrender of supplemental agreement (Note 6) | -         | 3,083,517 |

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**10. STAFF COSTS**

Staff costs were as follows:

|                                                                 | <b>2016</b>       | 2015       |
|-----------------------------------------------------------------|-------------------|------------|
|                                                                 | £                 | £          |
| Wages and salaries                                              | <b>24,280,996</b> | 23,925,098 |
| Social security costs                                           | <b>1,686,744</b>  | 1,470,106  |
| Operating costs of defined benefit pension schemes              | <b>4,847,208</b>  | 4,319,400  |
|                                                                 | <b>30,814,948</b> | 29,714,604 |
| Supply teacher costs                                            | <b>518,202</b>    | 488,479    |
| Other costs (payroll staff restructuring)                       | <b>48,400</b>     | -          |
| Other costs (non-payroll agency supply and staff restructuring) | <b>483,389</b>    | 537,438    |
|                                                                 | <b>31,864,939</b> | 30,740,521 |

Staff restructuring costs comprise:

|                     | <b>2016</b>   | 2015   |
|---------------------|---------------|--------|
|                     | £             | £      |
| Redundancy payments | -             | 49,313 |
| Severance payments  | <b>48,400</b> | 46,218 |
|                     | <b>48,400</b> | 95,531 |

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

|                           | <b>2016</b>  | 2015  |
|---------------------------|--------------|-------|
|                           | No.          | No.   |
| Teachers                  | <b>422</b>   | 392   |
| Educational Support       | <b>951</b>   | 883   |
| Administration & Clerical | <b>229</b>   | 212   |
| Management                | <b>112</b>   | 104   |
|                           | <b>1,714</b> | 1,591 |

Average headcount expressed as a full time equivalent:

|                           | <b>2016</b> | 2015 |
|---------------------------|-------------|------|
|                           | No.         | No.  |
| Teachers                  | <b>339</b>  | 329  |
| Educational Support       | <b>362</b>  | 344  |
| Administration & Clerical | <b>114</b>  | 122  |
| Management                | <b>98</b>   | 98   |
|                           | <b>913</b>  | 893  |

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**10. STAFF COSTS (continued)**

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

|                               | <b>2016</b> | 2015 |
|-------------------------------|-------------|------|
|                               | <b>No.</b>  | No.  |
| In the band £60,001 - £70,000 | <b>7</b>    | 5    |
| In the band £70,001 - £80,000 | <b>5</b>    | 4    |
| In the band £80,001 - £90,000 | <b>2</b>    | 2    |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £48,400 (2015: £46,218). Individually, the payments were £37,100, £8,500 and £2,800 (2015: £14,200, £13,000, £9,040, £5,680, £2,798 and £1,500).

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 pension contributions) received by key management personnel for their services to the Academy Trust was £345,714 (2015: £361,516).

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 12 has not been included in the total benefits received by key management personnel above.



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**11. CENTRAL SERVICES**

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

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

The Trust charges for these services on the following basis:

These services are funded on a cost per pupil basis which is retained centrally and allocated as and when necessary. Any surplus is retained centrally to ensure that there is sufficient contingency in place to cover unplanned eventualities as advised by the EFA when the Trust was established.

The actual amounts charged during the year were as follows:

|                                 | <b>2016</b>      | <b>2015</b>      |
|---------------------------------|------------------|------------------|
|                                 | <b>£</b>         | <b>£</b>         |
| Christ the King CPS             | <b>45,360</b>    | 46,122           |
| St Mary's CPS, Bodmin           | <b>30,660</b>    | 33,606           |
| St John's CPS, Camborne         | <b>20,436</b>    | 22,120           |
| St Mary's CPS, Falmouth         | <b>31,080</b>    | 30,380           |
| St Mary's CPS, Penzance         | <b>22,116</b>    | 24,648           |
| Our Lady's CPS                  | <b>24,780</b>    | 25,060           |
| Our Lady and St Patrick's CPS   | <b>28,284</b>    | 29,683           |
| St John's CPS, Tiverton         | <b>25,200</b>    | 25,480           |
| St John the Baptist CPS         | <b>9,516</b>     | 11,200           |
| St Joseph's CPS, Exmouth        | <b>28,980</b>    | 28,280           |
| St Joseph's CPS, Newton Abbot   | <b>21,420</b>    | 17,920           |
| St Mary's CPS, Axminster        | <b>18,204</b>    | 17,360           |
| St Mary's CPS, Buckfast         | <b>10,080</b>    | 9,800            |
| St Nicholas CPS                 | <b>42,276</b>    | 44,722           |
| St Augustine's CPS              | <b>28,284</b>    | 28,000           |
| St Catherine's CPS, Wimborne    | <b>24,780</b>    | 23,940           |
| St Catherine's CPS, Bridport    | <b>26,604</b>    | 24,780           |
| St Mary's CPS, Marnhull         | <b>8,544</b>     | 8,820            |
| St Mary's Catholic First School | <b>20,856</b>    | 19,740           |
| St Mary's CPS, Swanage          | <b>23,244</b>    | 24,500           |
| St Mary & St Joseph's CPS       | <b>20,304</b>    | 18,200           |
| Holy Cross CPS                  | <b>33,036</b>    | 31,360           |
| Keyham Barton CPS               | <b>26,880</b>    | 27,020           |
| Priory CPS                      | <b>27,996</b>    | 28,420           |
| Queensway CPS                   | <b>27,024</b>    | 27,020           |
| Sacred Heart CPS                | <b>29,124</b>    | 31,875           |
| Notre Dame RC School            | <b>112,560</b>   | 120,540          |
| St Boniface's RC College        | <b>91,284</b>    | 103,880          |
| St Joseph's CPS, Devonport      | <b>21,420</b>    | 19,180           |
| St Margaret Clitherow CPS       | <b>17,364</b>    | 17,780           |
| St Paul's CPS                   | <b>26,184</b>    | 29,260           |
| St Peter's CPS                  | <b>24,216</b>    | 25,760           |
| The Cathedral of St Mary        | <b>15,264</b>    | 16,100           |
| St Joseph's CPS, Poole          | <b>47,460</b>    | 45,360           |
| St Mary's CPS, Poole            | <b>59,220</b>    | 58,800           |
|                                 | <b>1,070,040</b> | <b>1,096,716</b> |
| Total                           | <b>1,070,040</b> | <b>1,096,716</b> |

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 7 Trustees (2015: 7) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO 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:

|                                   |                            | <b>2016</b>          | <b>2015</b>   |
|-----------------------------------|----------------------------|----------------------|---------------|
|                                   |                            | <b>£</b>             | <b>£</b>      |
| Mr J C Mannix, Accounting Officer | Remuneration               | <b>80,000-85,000</b> | 80,000-85,000 |
|                                   | Pension contributions paid | <b>10,000-15,000</b> | 10,000-15,000 |
| Mr P R Cotter, Trustee            | Remuneration               | <b>65,000-70,000</b> | 70,000-75,000 |
|                                   | Pension contributions paid | <b>10,000-15,000</b> | 10,000-15,000 |
| Mrs J A Scarborough, Trustee      | Remuneration               | <b>65,000-70,000</b> | 65,000-70,000 |
|                                   | Pension contributions paid | <b>10,000-15,000</b> | 5,000-10,000  |
| Mrs S Barretto, Trustee           | Remuneration               | <b>55,000-60,000</b> | 65,000-70,000 |
|                                   | Pension contributions paid | <b>10,000-15,000</b> | 5,000-10,000  |
| Mrs H Brown, Trustee              | Remuneration               | <b>50,000-55,000</b> | 55,000-60,000 |
|                                   | Pension contributions paid | <b>5,000-10,000</b>  | 5,000-10,000  |
| Mrs H M Brown, Trustee            | Remuneration               | <b>50,000-55,000</b> | 50,000-55,000 |
|                                   | Pension contributions paid | <b>5,000-10,000</b>  | 5,000-10,000  |
| Mrs F B Guppy, Trustee            | Remuneration               | <b>50,000-55,000</b> | 55,000-60,000 |
|                                   | Pension contributions paid | <b>5,000-10,000</b>  | 5,000-10,000  |

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £3,580 (2015: £1,269) were reimbursed to 3 Trustees (2015: 4).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £7,407 (2015: £5,339).

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**14. TANGIBLE FIXED ASSETS**

|                       | Freehold<br>property<br>£ | Long term<br>leasehold<br>property<br>£ | Motor<br>vehicles<br>£ | Fixtures<br>and fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|---------------------------|-----------------------------------------|------------------------|-------------------------------|----------------------------|------------|
| <b>COST</b>           |                           |                                         |                        |                               |                            |            |
| At 1 September 2015   | 50,000                    | 78,803,872                              | 30,250                 | 847,030                       | 710,113                    | 80,441,265 |
| Additions             | -                         | 3,510,392                               | 2,487                  | 198,862                       | 177,969                    | 3,889,710  |
| At 31 August 2016     | 50,000                    | 82,314,264                              | 32,737                 | 1,045,892                     | 888,082                    | 84,330,975 |
| <b>DEPRECIATION</b>   |                           |                                         |                        |                               |                            |            |
| At 1 September 2015   | -                         | 2,573,265                               | 9,290                  | 227,999                       | 329,421                    | 3,139,975  |
| Charge for the year   | -                         | 2,099,915                               | 5,862                  | 203,264                       | 296,029                    | 2,605,070  |
| At 31 August 2016     | -                         | 4,673,180                               | 15,152                 | 431,263                       | 625,450                    | 5,745,045  |
| <b>NET BOOK VALUE</b> |                           |                                         |                        |                               |                            |            |
| At 31 August 2016     | 50,000                    | 77,641,084                              | 17,585                 | 614,629                       | 262,632                    | 78,585,930 |
| At 31 August 2015     | 50,000                    | 76,230,607                              | 20,960                 | 619,031                       | 380,692                    | 77,301,290 |

Included within Long term leasehold property additions, are costs totalling £NIL (2015: £3,977,617) which relate to an asset under construction.

**15. DEBTORS**

|                                | 2016<br>£        | 2015<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 220,677          | 138,146          |
| VAT recoverable                | 223,519          | 380,204          |
| Other debtors                  | 3,150            | -                |
| Prepayments and accrued income | 1,472,491        | 2,102,285        |
|                                | <b>1,919,837</b> | <b>2,620,635</b> |

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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                      | 2016<br>£        | 2015<br>£        |
|--------------------------------------|------------------|------------------|
| Trade creditors                      | 730,736          | 696,426          |
| Other taxation and social security   | 974,164          | 883,454          |
| Other creditors                      | 140,254          | 157,684          |
| Accruals and deferred income         | 896,134          | 1,784,216        |
|                                      | <u>2,741,288</u> | <u>3,521,780</u> |
|                                      | 2016<br>£        | 2015<br>£        |
| <b>DEFERRED INCOME</b>               |                  |                  |
| Deferred income at 1 September 2015  | 713,898          | 719,528          |
| Resources deferred during the year   | 586,021          | 713,898          |
| Amounts released from previous years | (713,898)        | (719,528)        |
| Deferred income at 31 August 2016    | <u>586,021</u>   | <u>713,898</u>   |

At the balance sheet date the Trust was holding funds received in advance for funding relating to the 2016/17 academic year, the majority of which is in respect of Universal Infant Free School Meal funding.

**17. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                 | 2016<br>£      | 2015<br>£      |
|-----------------|----------------|----------------|
| Other creditors | <u>111,568</u> | <u>222,940</u> |

**18. FINANCIAL INSTRUMENTS**

|                                                                        | 2016<br>£        | 2015<br>£        |
|------------------------------------------------------------------------|------------------|------------------|
| Financial assets measured at fair value through income and expenditure | 5,517,373        | 6,200,367        |
| Financial assets measured at amortised cost                            | <u>1,248,707</u> | <u>1,975,970</u> |
|                                                                        | <u>6,766,080</u> | <u>8,176,337</u> |
| Financial liabilities measured at amortised cost                       | <u>1,040,849</u> | <u>1,766,744</u> |

Financial assets measured at fair value through income and expenditure comprise Cash at Bank.

Financial assets measured at amortised cost comprise Trade Debtors and Accrued Income.

Financial liabilities measured at amortised cost comprise Trade Creditors and Accruals.

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**19. STATEMENT OF FUNDS**

|                                                        | Brought Forward<br>£ | Income<br>£       | Expenditure<br>£    | Transfers in/out<br>£ | Gains/<br>(Losses)<br>£ | Carried Forward<br>£ |
|--------------------------------------------------------|----------------------|-------------------|---------------------|-----------------------|-------------------------|----------------------|
| <b>UNRESTRICTED FUNDS</b>                              |                      |                   |                     |                       |                         |                      |
| General funds                                          | 4,097,892            | 2,103,294         | (1,122,008)         | (2,670,680)           | -                       | 2,408,498            |
| <b>RESTRICTED FUNDS</b>                                |                      |                   |                     |                       |                         |                      |
| General Annual Grant (GAG)                             | 253,324              | 31,794,567        | (33,355,492)        | 2,159,032             | -                       | 851,431              |
| High Needs                                             | -                    | 1,198,675         | (1,198,675)         | -                     | -                       | -                    |
| Devolved formula capital                               | 20,679               | 236,961           | -                   | -                     | -                       | 257,640              |
| Other DfE/EFA grants                                   | 172,136              | 3,409,275         | (3,325,337)         | -                     | -                       | 256,074              |
| Other government grants                                | -                    | 132,741           | (132,741)           | -                     | -                       | -                    |
| Other                                                  | -                    | 664,028           | (664,028)           | -                     | -                       | -                    |
| Deficit transferred on conversion from Local Authority | (339,963)            | -                 | 111,372             | -                     | -                       | (228,591)            |
| Pension reserve                                        | (10,021,000)         | -                 | (1,239,000)         | -                     | (8,033,000)             | (19,293,000)         |
|                                                        | <b>(9,914,824)</b>   | <b>37,436,247</b> | <b>(39,803,901)</b> | <b>2,159,032</b>      | <b>(8,033,000)</b>      | <b>(18,156,446)</b>  |
| <b>RESTRICTED FIXED ASSET FUNDS</b>                    |                      |                   |                     |                       |                         |                      |
|                                                        | Brought Forward<br>£ | Income<br>£       | Expenditure<br>£    | Transfers in/out<br>£ | Gains/<br>(Losses)<br>£ | Carried Forward<br>£ |
| Fixed assets transferred on conversion and in year     | 73,271,093           | 1,946,433         | (2,107,377)         | -                     | -                       | 73,110,149           |
| Fixed assets purchased from GAG                        | 576,089              | -                 | (154,303)           | 511,648               | -                       | 933,434              |
| DfE/EFA Capital grants                                 | 1,851,299            | 1,001,643         | (239,839)           | -                     | -                       | 2,613,103            |
| Local Authority Capital grants                         | 2,440,916            | 562,361           | (92,851)            | -                     | -                       | 2,910,426            |
| Other                                                  | 34,107               | 34,713            | (10,700)            | -                     | -                       | 58,120               |
|                                                        | <b>78,173,504</b>    | <b>3,545,150</b>  | <b>(2,605,070)</b>  | <b>511,648</b>        | <b>-</b>                | <b>79,625,232</b>    |
| Total restricted funds                                 | <b>68,258,680</b>    | <b>40,981,397</b> | <b>(42,408,971)</b> | <b>2,670,680</b>      | <b>(8,033,000)</b>      | <b>61,468,786</b>    |
| Total of funds                                         | <b>72,356,572</b>    | <b>43,084,691</b> | <b>(43,530,979)</b> | <b>-</b>              | <b>(8,033,000)</b>      | <b>63,877,284</b>    |

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**19. STATEMENT OF FUNDS (continued)**

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

**Restricted Funds**

General Annual Grant (GAG)

This represents funding from the EFA which is to be used for the normal running costs of the Trust, including education and support costs.

High Needs

This represents funding from both the EFA and Local Authorities to further support students with additional needs.

Devolved formula capital

This represents devolved formula capital funding from the EFA to fund capital maintenance at each of the schools. Transfers are made from the restricted fund down to the restricted fixed asset fund where the funding is to be spent on capital assets.

Other DfE/EFA grants

This represents funding for Pupil Premium (for children that qualify for free school meals to enable the 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 and Sport Premium (to improve the quality of PE and sport activities being offered to pupils) 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.

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 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, Diocese of Plymouth 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/EFA capital grants

This represents the Trust's DFC, ACMF, UIFSM and SCA funding allocations from the EFA to fund the purchase and maintenance of Trust assets. Transfers are made from the restricted DFC fund down to the restricted fixed asset fund where the funding is to be spent on capital assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (continued)**

Local Authority capital grants

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, transfers have been made from restricted funds to restricted fixed asset funds to account for fixed assets purchased out of GAG.

An additional transfer has been made to correctly analyse GAG and unrestricted funds on a school by school basis.

**Other Information**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF SCHOOLS BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

|                                                   | <b>Total<br/>2016<br/>£</b> | <b>Total<br/>2015<br/>£</b> |
|---------------------------------------------------|-----------------------------|-----------------------------|
| Christ the King CPS                               | <b>128,850</b>              | 202,730                     |
| St Mary's CPS, Bodmin                             | <b>81,499</b>               | 92,989                      |
| St John's CPS, Camborne                           | <b>59,662</b>               | 49,534                      |
| St Mary's CPS, Falmouth                           | <b>177,073</b>              | 206,413                     |
| St Mary's CPS, Penzance                           | <b>48,314</b>               | 44,974                      |
| Our Lady's CPS                                    | <b>54,722</b>               | 36,143                      |
| Our Lady and St Patrick's CPS                     | <b>62,487</b>               | 83,105                      |
| St John's CPS, Tiverton                           | <b>83,035</b>               | 85,369                      |
| St John the Baptist CPS                           | <b>38,770</b>               | 74,348                      |
| St Joseph's CPS, Exmouth                          | <b>63,193</b>               | 65,853                      |
| St Joseph's CPS, Newton Abbot                     | <b>(53,805)</b>             | (32,510)                    |
| St Mary's CPS, Axminster                          | <b>4,335</b>                | (17,682)                    |
| St Mary's CPS, Buckfast                           | -                           | -                           |
| St Nicholas CPS                                   | <b>69,268</b>               | 39,637                      |
| St Augustine's CPS                                | <b>41,757</b>               | 50,270                      |
| St Catherine's CPS, Wimborne                      | <b>96,486</b>               | 133,056                     |
| St Catherine's CPS, Bridport                      | -                           | 9,701                       |
| St Mary's CPS, Marnhull                           | <b>7,474</b>                | 15,574                      |
| St Mary's Catholic First School                   | <b>82,472</b>               | 70,650                      |
| St Mary's CPS, Swanage                            | <b>67,483</b>               | 63,285                      |
| St Mary & St Joseph's CPS                         | <b>50,955</b>               | 96,454                      |
| Holy Cross CPS                                    | <b>113,319</b>              | 175,149                     |
| Keyham Barton CPS                                 | <b>126,954</b>              | 98,118                      |
| Priory CPS                                        | <b>207,221</b>              | 164,360                     |
| Queensway CPS                                     | <b>28,332</b>               | 20,507                      |
| Sacred Heart CPS                                  | <b>32,703</b>               | 151,225                     |
| Notre Dame RC School                              | <b>595,378</b>              | 661,049                     |
| St Boniface's RC College - Deficit on conversion  | <b>(223,038)</b>            | (334,410)                   |
| St Boniface's RC College                          | <b>(402,723)</b>            | (25,367)                    |
| St Joseph's CPS, Devonport                        | <b>45,079</b>               | 85,938                      |
| St Margaret Clitherow CPS                         | <b>94,939</b>               | 128,825                     |
| St Paul's CPS                                     | <b>89,691</b>               | 112,350                     |
| St Peter's CPS                                    | <b>72,081</b>               | 116,277                     |
| The Cathedral of St Mary                          | <b>161,067</b>              | 157,354                     |
| St Joseph's CPS, Poole                            | <b>30,525</b>               | -                           |
| St Mary's CPS, Poole                              | <b>587,355</b>              | 601,278                     |
| Orchard Nursery                                   | <b>191,281</b>              | 98,664                      |
| Plymouth CAST Central                             | <b>630,858</b>              | 622,858                     |
| Total before fixed asset fund and pension reserve | <b>3,545,052</b>            | 4,204,068                   |
| Restricted fixed asset fund                       | <b>79,625,232</b>           | 78,173,504                  |
| Pension reserve                                   | <b>(19,293,000)</b>         | (10,021,000)                |
| Total                                             | <b>63,877,284</b>           | 72,356,572                  |



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**19. STATEMENT OF FUNDS (continued)**

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

| <b>Name of school</b>         | <b>Amount of deficit<br/>£</b> |
|-------------------------------|--------------------------------|
| St Joseph's CPS, Newton Abbot | <b>(53,805)</b>                |
| St Boniface's RC College      | <b>(625,761)</b>               |

The Trust is taking the following action to return the schools to surplus:

The CFO will be working closely with the Finance Support Officer, Finance Administrator, Headteacher and LGB to monitor the financial performance of the two schools and the effectiveness of the recovery plans.

St Joseph's CPS, Newton Abbot

The school has increased its deficit in 2015/16, but this was expected due to the challenges faced by the school in this academic year. The Trust has worked closely with the school during the 2016-17 budgeting process and it is expected that the school will return to a surplus position before the end of the 2020-21 academic year.

St Boniface's RC College

Upon conversion St Boniface College inherited a deficit from the Local Authority, along with a Recovery Plan that was formulated by the Local Authority. It is now appreciated that the original Recovery Plan is no longer fit for purpose and therefore the Headteacher, Trustees and Finance Manager of the school are preparing an updated strategy, along with the individual budget holders. Once it has been critiqued by The Trust, the strategy is expected to be formalised by the end of January 2017. The Trust is also appointing a centrally funded accountant, for a fixed term, to provide assurances of both practice and procedure at the school.

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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF SCHOOLS BY COST**

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

|                                    | Teaching<br>and<br>educational<br>support<br>staff costs<br>£ | Other<br>support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|------------------------------------|---------------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------------------|--------------------|--------------------|
| Christ the King<br>CPS             | 1,243,412                                                     | 222,464                              | 57,970                       | 227,843                                       | 1,751,689          | 1,716,052          |
| St Mary's CPS,<br>Bodmin           | 724,906                                                       | 148,146                              | 51,898                       | 193,457                                       | 1,118,407          | 1,172,271          |
| St John's CPS,<br>Camborne         | 546,011                                                       | 65,776                               | 17,038                       | 107,131                                       | 735,956            | 747,514            |
| St Mary's CPS,<br>Falmouth         | 589,591                                                       | 92,508                               | 38,280                       | 203,005                                       | 923,384            | 890,035            |
| St Mary's CPS,<br>Penzance         | 593,003                                                       | 52,462                               | 45,924                       | 213,585                                       | 904,974            | 824,904            |
| Our Lady's CPS                     | 587,011                                                       | 141,238                              | 14,295                       | 156,475                                       | 899,019            | 840,092            |
| Our Lady and St<br>Patrick's CPS   | 641,377                                                       | 89,085                               | 36,042                       | 159,494                                       | 925,998            | 962,808            |
| St John's CPS,<br>Tiverton         | 591,264                                                       | 201,237                              | 56,300                       | 158,218                                       | 1,007,019          | 937,638            |
| St John the Baptist<br>CPS         | 281,424                                                       | 36,089                               | 14,682                       | 78,337                                        | 410,532            | 378,132            |
| St Joseph's CPS,<br>Exmouth        | 586,938                                                       | 90,518                               | 24,661                       | 151,050                                       | 853,167            | 804,635            |
| St Joseph's CPS,<br>Newton Abbot   | 549,851                                                       | 60,161                               | 44,752                       | 136,176                                       | 790,940            | 707,974            |
| St Mary's CPS,<br>Axminster        | 416,888                                                       | 44,164                               | 19,767                       | 127,753                                       | 608,572            | 637,841            |
| St Mary's CPS,<br>Buckfast         | 348,521                                                       | 46,559                               | 19,613                       | 124,769                                       | 539,462            | 441,207            |
| St Nicholas CPS                    | 921,081                                                       | 175,641                              | 62,352                       | 268,374                                       | 1,427,448          | 1,380,907          |
| St Augustine's CPS                 | 617,228                                                       | 97,726                               | 35,763                       | 203,637                                       | 954,354            | 904,024            |
| St Catherine's<br>CPS, Wimborne    | 497,046                                                       | 99,046                               | 35,753                       | 116,669                                       | 748,514            | 725,485            |
| St Catherine's<br>CPS, Bridport    | 593,970                                                       | 99,433                               | 19,802                       | 118,705                                       | 831,910            | 863,148            |
| St Mary's CPS,<br>Marnhull         | 263,627                                                       | 48,558                               | 16,231                       | 76,243                                        | 404,659            | 373,309            |
| St Mary's Catholic<br>First School | 411,664                                                       | 46,280                               | 37,232                       | 121,066                                       | 616,242            | 581,727            |
| St Mary's CPS,<br>Swanage          | 550,393                                                       | 76,977                               | 62,750                       | 87,856                                        | 777,976            | 818,026            |
| St Mary & St<br>Joseph's CPS       | 462,804                                                       | 107,303                              | 33,388                       | 137,552                                       | 741,047            | 696,905            |
| Holy Cross CPS                     | 698,154                                                       | 94,142                               | 72,003                       | 195,963                                       | 1,060,262          | 971,618            |
| Keyham Barton<br>CPS               | 653,146                                                       | 127,717                              | 70,076                       | 160,637                                       | 1,011,576          | 1,004,369          |
| Priory Roman CPS                   | 594,572                                                       | 95,798                               | 32,703                       | 185,377                                       | 908,450            | 826,302            |
| Queensway CPS                      | 650,831                                                       | 50,566                               | 17,251                       | 162,438                                       | 881,086            | 929,535            |
| Sacred Heart CPS                   | 761,626                                                       | 78,737                               | 28,341                       | 242,319                                       | 1,111,023          | 1,012,233          |

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (continued)**

|                                       |                   |                  |                  |                  |                   |                   |
|---------------------------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|
| Notre Dame RC School                  | 2,968,349         | 521,164          | 107,723          | 560,047          | 4,157,283         | 4,479,905         |
| St Boniface's RC College              | 2,695,550         | 394,549          | 266,379          | 599,217          | 3,955,695         | 3,929,958         |
| St Joseph's CPS, Devonport            | 553,175           | 100,136          | 66,648           | 157,050          | 877,009           | 747,658           |
| St Margaret Clitherow CPS             | 432,747           | 55,616           | 14,322           | 90,041           | 592,726           | 612,994           |
| St Paul's CPS                         | 595,889           | 104,840          | 33,305           | 170,213          | 904,247           | 877,449           |
| St Peter's CPS                        | 524,922           | 107,344          | 33,333           | 141,860          | 807,459           | 812,569           |
| The Cathedral of St Mary              | 380,640           | 73,256           | 44,726           | 147,340          | 645,962           | 585,581           |
| St Joseph's CPS, Poole                | 1,066,245         | 219,681          | 27,038           | 183,432          | 1,496,396         | 1,552,595         |
| St Mary's CPS, Poole                  | 1,108,859         | 133,627          | 61,352           | 311,162          | 1,615,000         | 1,669,434         |
| Plymouth CAST Central Orchard Nursery | 493,531           | 1,154,831        | 51,919           | 843,696          | 2,543,977         | 1,983,537         |
|                                       | -                 | 315,318          | -                | 71,171           | 386,489           | 403,242           |
|                                       | <b>26,196,246</b> | <b>5,668,693</b> | <b>1,671,612</b> | <b>7,389,358</b> | <b>40,925,909</b> | <b>39,803,613</b> |

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                        | Unrestricted funds<br>2016<br>£ | Restricted funds<br>2016<br>£ | Restricted fixed asset funds<br>2016<br>£ | Total funds<br>2016<br>£ | Total funds<br>2015<br>£ |
|----------------------------------------|---------------------------------|-------------------------------|-------------------------------------------|--------------------------|--------------------------|
| Tangible fixed assets                  | -                               | -                             | 78,585,930                                | 78,585,930               | 77,301,290               |
| Current assets                         | 2,408,498                       | 3,960,147                     | 1,068,565                                 | 7,437,210                | 8,821,002                |
| Creditors due within one year          | -                               | (2,712,025)                   | (29,263)                                  | (2,741,288)              | (3,521,780)              |
| Creditors due in more than one year    | -                               | (111,568)                     | -                                         | (111,568)                | (222,940)                |
| Provisions for liabilities and charges | -                               | (19,293,000)                  | -                                         | (19,293,000)             | (10,021,000)             |
|                                        | <b>2,408,498</b>                | <b>(18,156,446)</b>           | <b>79,625,232</b>                         | <b>63,877,284</b>        | <b>72,356,572</b>        |

**PLYMOUTH CAST**  
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**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                  | 2016<br>£          | 2015<br>£   |
|----------------------------------------------------------------------------------|--------------------|-------------|
| Net (expenditure)/income for the year (as per Statement of financial activities) | <b>(446,288)</b>   | 1,275,867   |
| <b>Adjustment for:</b>                                                           |                    |             |
| Depreciation charges                                                             | <b>2,605,070</b>   | 2,203,375   |
| Dividends, interest and rents from investments                                   | <b>(9,302)</b>     | (16,260)    |
| Loss on the sale of fixed assets                                                 | -                  | 19,085      |
| Decrease/(increase) in debtors                                                   | <b>700,798</b>     | (1,252,512) |
| (Decrease)/increase in creditors                                                 | <b>(891,864)</b>   | 960,489     |
| Capital grants from DfE and other capital income                                 | <b>(1,835,568)</b> | (1,948,315) |
| Defined benefit pension scheme cost less contributions payable                   | <b>859,000</b>     | 800,000     |
| Defined benefit pension scheme finance cost                                      | <b>380,000</b>     | 358,000     |
| Surrender of lease for land and buildings                                        | -                  | 3,083,517   |
| Transfer of land and buildings                                                   | <b>(1,946,543)</b> | (2,912,858) |
| <b>Net cash (used in)/provided by operating activities</b>                       | <b>(584,697)</b>   | 2,570,388   |

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

|              | 2016<br>£        | 2015<br>£ |
|--------------|------------------|-----------|
| Cash in hand | <b>5,517,373</b> | 6,200,367 |
| Total        | <b>5,517,373</b> | 6,200,367 |

**23. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy Trust had capital commitments as follows:

|                                                               | 2016<br>£     | 2015<br>£ |
|---------------------------------------------------------------|---------------|-----------|
| Contracted for but not provided in these financial statements | <b>29,263</b> | 455,292   |

**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. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the Trust received £35,810 (2015: £38,930) and disbursed £35,094 (2015: £38,930) from the fund. An amount of £716 (2015: £NIL) is included in other creditors relating to undistributed funds that is repayable to EFA.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**26. PENSION COMMITMENTS**

The 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. 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 2013.

Contributions amounting to £316,580 were payable to the schemes at 31 August 2016 (2015: £288,911) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years 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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £2,456,180 (2015: £2,113,772).

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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**26. PENSION COMMITMENTS (continued)**

Under the definitions set out in FRS 102, the TPS is a 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 2016 was £1,976,000 (2015: £1,909,000), of which employer's contributions totalled £1,502,000 (2015: £1,454,000) and employees' contributions totalled £474,000 (2015: £455,000). The agreed contribution rates for future years are 17 - 19% for employers and 5.5 - 10.5% 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.

Cornwall LGPS:

Principal actuarial assumptions:

|                                                      | <b>2016</b>   | 2015   |
|------------------------------------------------------|---------------|--------|
| Discount rate for scheme liabilities                 | <b>2.00 %</b> | 3.70 % |
| Rate of increase in salaries                         | <b>4.10 %</b> | 4.50 % |
| Rate of increase for pensions in payment / inflation | <b>2.10 %</b> | 2.60 % |

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

|                      | <b>2016</b> | 2015 |
|----------------------|-------------|------|
| Retiring today       |             |      |
| Males                | <b>22.2</b> | 22.2 |
| Females              | <b>24.4</b> | 24.4 |
| Retiring in 20 years |             |      |
| Males                | <b>24.4</b> | 24.4 |
| Females              | <b>26.8</b> | 26.8 |

Devon LGPS:

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

|                                                      | <b>2016</b>   | 2015   |
|------------------------------------------------------|---------------|--------|
| Discount rate for scheme liabilities                 | <b>2.20 %</b> | 4.00 % |
| Rate of increase in salaries                         | <b>4.10 %</b> | 4.50 % |
| Rate of increase for pensions in payment / inflation | <b>2.30 %</b> | 2.70 % |

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**26. 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:

|                      | <b>2016</b> | 2015 |
|----------------------|-------------|------|
| Retiring today       |             |      |
| Males                | <b>22.9</b> | 22.8 |
| Females              | <b>26.2</b> | 26.1 |
| Retiring in 20 years |             |      |
| Males                | <b>25.2</b> | 25.1 |
| Females              | <b>28.6</b> | 28.4 |

Dorset LGPS:

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

|                                                      | <b>2016</b>   | 2015   |
|------------------------------------------------------|---------------|--------|
| Discount rate for scheme liabilities                 | <b>2.20 %</b> | 4.00 % |
| Rate of increase in salaries                         | <b>3.80 %</b> | 4.20 % |
| Rate of increase for pensions in payment / inflation | <b>2.30 %</b> | 2.70 % |

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

|                      | <b>2016</b> | 2015 |
|----------------------|-------------|------|
| Retiring today       |             |      |
| Males                | <b>22.9</b> | 22.8 |
| Females              | <b>25.3</b> | 25.2 |
| Retiring in 20 years |             |      |
| Males                | <b>25.2</b> | 25.1 |
| Females              | <b>27.7</b> | 27.6 |

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

|                              | <b>Fair value at<br/>31 August<br/>2016<br/>£</b> | Fair value at<br>31 August<br>2015<br>£ |
|------------------------------|---------------------------------------------------|-----------------------------------------|
| Equities                     | <b>7,544,680</b>                                  | 5,569,290                               |
| Debt instruments             | <b>1,826,130</b>                                  | 1,756,500                               |
| Property                     | <b>1,270,370</b>                                  | 1,031,830                               |
| Cash                         | <b>207,820</b>                                    | 267,380                                 |
| Other                        | <b>2,317,000</b>                                  | 1,486,000                               |
|                              | <hr/> <b>13,166,000</b> <hr/>                     | <hr/> 10,111,000 <hr/>                  |
| Total market value of assets |                                                   |                                         |

The actual return on scheme assets was £1,387,000 (2015: £105,000)

**PLYMOUTH CAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**26. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

|                                                      | 2016<br>£                   | 2015<br>£                   |
|------------------------------------------------------|-----------------------------|-----------------------------|
| Current service cost (net of employee contributions) | (2,361,000)                 | (2,254,000)                 |
| Net interest cost                                    | (380,000)                   | (362,000)                   |
| Past service cost                                    | (49,237)                    | -                           |
|                                                      | <u>                    </u> | <u>                    </u> |
| Total                                                | <u><u>(2,790,237)</u></u>   | <u><u>(2,616,000)</u></u>   |

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

|                                    | 2016<br>£                   | 2015<br>£                   |
|------------------------------------|-----------------------------|-----------------------------|
| Opening defined benefit obligation | 20,132,000                  | 16,735,000                  |
| Current service cost               | 2,361,000                   | 2,254,000                   |
| Interest cost                      | 808,000                     | 715,000                     |
| Contributions by employees         | 474,000                     | 455,000                     |
| Actuarial losses/(gains)           | 8,986,000                   | (87,000)                    |
| Settlements                        | -                           | (12,000)                    |
| Benefits/transfers paid            | (302,000)                   | 72,000                      |
|                                    | <u>                    </u> | <u>                    </u> |
| Closing defined benefit obligation | <u><u>32,459,000</u></u>    | <u><u>20,132,000</u></u>    |

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

|                                     | 2016<br>£                   | 2015<br>£                   |
|-------------------------------------|-----------------------------|-----------------------------|
| Opening fair value of scheme assets | 10,111,000                  | 8,036,000                   |
| Interest income                     | 434,000                     | 356,000                     |
| Actuarial gains and (losses)        | 953,000                     | (251,000)                   |
| Contributions by employer           | 1,502,000                   | 1,454,000                   |
| Contributions by employees          | 474,000                     | 455,000                     |
| Settlements                         | -                           | (8,000)                     |
| Administrastion expenses            | (6,000)                     | (3,000)                     |
| Benefits/transfers paid             | (302,000)                   | 72,000                      |
|                                     | <u>                    </u> | <u>                    </u> |
| Closing fair value of scheme assets | <u><u>13,166,000</u></u>    | <u><u>10,111,000</u></u>    |



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**27. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

|                         | <b>2016</b>    | <b>2015</b> |
|-------------------------|----------------|-------------|
|                         | <b>£</b>       | <b>£</b>    |
| <b>AMOUNTS PAYABLE:</b> |                |             |
| Within 1 year           | <b>73,002</b>  | 50,889      |
| Between 1 and 5 years   | <b>76,296</b>  | 52,609      |
| Total                   | <b>149,298</b> | 103,498     |

**28. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the year:

During the year, purchases totalling £65,339 (2015: £293,141) for resources, services and fixed assets were made from Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR), a member of Plymouth CAST. All purchases were delivered at cost, with no element of profit. At 31 August 2016, PRCDTR owed Plymouth CAST £10,138 (2015: Plymouth CAST owed PRCDTR £15,542).

During the year, purchases for resources and services totalling £62,117 (2015: £37,677) were made from Dart Abbey Enterprises Limited, a company where a Director is also a Trustee of Plymouth CAST. All purchases were delivered at cost, with no element of profit. At 31 August 2016, Plymouth CAST owed Dart Abbey Enterprises Limited £33,450 (2015: £23,061).

**29. 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.

**30. 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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**31. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

| <b>RECONCILIATION OF TOTAL FUNDS</b> | <b>Notes</b> | <b>1 September 2014</b> | <b>31 August 2015</b> |
|--------------------------------------|--------------|-------------------------|-----------------------|
|                                      |              | £                       | £                     |
| Total funds under previous UK GAAP   |              | 71,244,705              | 72,356,572            |
| Total funds reported under FRS 102   |              | <u>71,244,705</u>       | <u>72,356,572</u>     |

| <b>Reconciliation of net income/(expenditure)</b> | <b>Notes</b> | <b>31 August 2015</b> |
|---------------------------------------------------|--------------|-----------------------|
|                                                   |              | £                     |
| Net income previously reported under UK GAAP      |              | 1,442,867             |
| Change in recognition of LGPS interest cost       | A            | (167,000)             |
| Net movement in funds reported under FRS 102      |              | <u>1,275,867</u>      |

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £167,000 and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.