

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

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

CONTENTS

	Page
Reference and administrative details of the trust, its trustees and advisers	1
Trustees' report	2 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 51

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014

Members	Rt Rev M O'Toole, Bishop of Plymouth (appointed 28 January 2014) Rt Rev H C Budd, Bishop Emeritus of Plymouth (appointed 11 March 2013) Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR) (appointed 11 March 2013) Fr G W Wilberforce, Episcopal Vicar for Formation (appointed 11 March 2013) Mr D Wells, Director of Religious Education (appointed 11 March 2013)
Trustees	Sir Brian G Pearse, Chair of Trustees (appointed 20 November 2013) ^{1,2} Mr J R Deacon, Trustee (appointed 11 December 2013) ^{1,2} Mr B Dagnall, Trustee (appointed 11 December 2013) ² Fr W M Muir, Trustee (appointed 11 December 2013) Mrs H Brown, Trustee (appointed 20 November 2013) Mr J C Mannix, Accounting Officer (appointed 18 December 2013) Mr N J Pitt, Trustee (appointed 11 December 2013) ¹ Mrs F B Guppy, Trustee (appointed 20 November 2013) Mr E Howard, Trustee (appointed 11 December 2013) Mr P R Cotter, Trustee (appointed 3 April 2013) Mr G R Johnson, Trustee (appointed 11 December 2013) Mr D A Anderson, Trustee (appointed 11 December 2013) ^{1,2} Mrs J A Scarborough, Trustee (appointed 20 November 2013) Mrs H M Brown, Trustee (appointed 20 November 2013) Ms S Barreto, Trustee (appointed 3 April 2013) ¹ Finance Committee ² Audit & Risk Committee
Company registered number	08438686
Principal and registered office	St Boniface House Ashburton Newton Abbot Devon TQ13 7JL
Accounting officer	J C Mannix
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
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Plymouth CAST (the Trust) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates a Multi-Academy for pupils aged 2 to 18 across the counties of Cornwall, Devon and Dorset. It has a pupil capacity of 8,775 and had a roll of 7,833 in the school census for October 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Trust, also known as Plymouth CAST (Catholic and Anglican Schools Trust), was incorporated on 11 March 2013 and opened as a single Academy on 1 June 2013. It is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The 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 period, except as noted, are included in the Reference and Administration Details on page 1.

b. MEMBERS' LIABILITY

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

c. 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:

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

Other than the Chief Executive, whose position is ex officio, 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.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trustees attended a formal training day shortly after their appointment at which they were introduced to the details of the Trust's schools, the role of Trustees under Charities Law, the key constitutional documents of the Trust and the fundamental organisational philosophy and structure.

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

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

Board meetings are conducted always with a mind to the on-going education of the Board, individually and corporately, and Trustees have access to all company documents, briefing papers and performance information relating to the Trust and its central operations.

The CAST principle of transparency is, in part, to ensure that all those who are part of the Trust can be aware of how the Trust operates, rather than restricting such information to current Board members. With the additional structures of Area Councils and Area Forums, there are many opportunities for people to understand how the Board operates and therefore reduce barriers to future potential Trustees.

e. ORGANISATIONAL STRUCTURE

Plymouth CAST has established a unified management structure to enable its efficient running. The structure consists of 3 levels: the Board of Trustees and its Committees; the Executive body which includes the Chief Executive Officer, Area Advisers and other Officers; and the Local Governing Body at each school.

The Trustees meet at least six times a year, and they are responsible for making major decisions about the strategic direction of the Trust ensuring that its aims are met and its ethos maintained. They receive regular reports from the Chief Executive and key officers relating to standards, personnel and finance. The role of the Board of Trustees is not to manage the individual schools, each of which has its own Local Governing Body, but to ensure that effective systems are in place for on-going monitoring at school level, Area Council level and Board level.

The devolved autonomy of Local Governing Bodies is detailed in the Trust's Scheme of Delegation, which also makes provision for the suspension of any or all devolved powers if it is clear that a school becomes vulnerable in any key aspect of its work; especially safeguarding, educational standards, staff well-being; financial stability.

If a Local Governing Body's powers are suspended, the Board constitutes an Intervention Monitoring Group (IMG) to work closely with the school to ensure that: the nature of its vulnerability is fully understood; any interventions are appropriate to the nature of its problems; resources can be secured to ensure required interventions occur in a timely manner; the Board can have confidence that any remedial action is effective. The conduct of any IMG is determined by the 'Intervention Protocol', agreed as part of the Scheme of Delegation.

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 implicit 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 Local Governing Bodies. 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. 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 Local Governing Body and management team.

In summary, while the Trust has what might be considered as three tiers of authority (school, Area Council, Board of Trustees) it is the principles of the organisation (reflected in its documentation) that determine where authority for any particular decision will rest and supposed 'higher' levels cannot simply dictate to 'lower'.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Dart Abbey Enterprises Limited is a connected organisation as Mr Jonathan Deacon (a Director of Dart Abbey Enterprises Limited) is also a Trustee of Plymouth CAST.

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

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

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

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. TRUSTEES' INDEMNITIES

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

Furthermore, in accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim.

OBJECTIVES AND ACTIVITIES

a. 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 and Joint Church 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 leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of the life of these inhabitants.

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Detailed development plans are held by each of CAST's schools and, while the Trust as a whole is newly formed, the on-going strategic improvement of CAST's individual schools has been carried forward by their Local Governing Bodies - consistent with their aspirations prior to the formation of the full Multi-Academy Trust.

For the Trust as a whole, the key objectives during the initial period have been twofold:

- the establishment and operational development of the key CAST infrastructures (standards; finance and payroll; central HR support and policy);
- the support of CAST's most vulnerable schools – especially those that are 'sponsored' as a result of being identified as 'failing' by Ofsted.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

In pursuit of these objectives, the most significant activities of the Trust have been:

- The appointment, induction and deployment of the Area Advisers (specialists in school improvement who work directly with CAST schools).
- Training of key staff in schools, especially Administrators and Business Managers, in CAST's finance and payroll systems.
- The support of schools via Intervention Monitoring Groups and ensuring appropriate use of central CAST resources and dedicated government grants to secure school improvement.
- The establishment of a network 'portal' for staff and governors to ensure access to information and guidance, especially for governors, administrators, clerks and management teams.
- The development of the CAST Board's (and its Committees') personnel and systems to enhance the Trust's capacity to ensure both statutory compliance and school improvement mechanisms are monitored effectively.

d. 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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

a. GOING CONCERN

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

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

b. KEY FINANCIAL PERFORMANCE INDICATORS

A key financial performance indicator for the Trust is the level of GAG reserves carried forward at the Balance Sheet date as a percentage of GAG income and for the period, 1.95% of GAG was carried forward.

Another key financial performance indicator for the Trust is staffing costs as a percentage of total revenue income (excluding balances transferred in on conversion), which was 70.0%.

The following table details a selection of performance indicators, comparing Plymouth CAST against benchmark data, which has been taken from the Kreston Academies Benchmark Report 2014:

	Plymouth CAST	Benchmark Data
Teaching to Non-Teaching Staff ratio	0.85	0.9
Total Income per Pupil (Full Year)	£6,510	£6,429
Total GAG per Pupil (Full Year)	£4,404	£4,899
Ratio of GAG to Total Income	77.4%	77.6%
Staff Costs per Pupil (Full Year)	£3,984	£4,021
LGPS Deficit per Pupil	£1,699	£1,121
Fixed Assets Value per Pupil	£13,029	£11,553
Surplus to Total Income	8.1%	8.1%

FINANCIAL REVIEW

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Most of the 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 period, total revenue expenditure of £17,065,089 was covered by recurring grant funding from the DfE, together with other incoming resources of £21,248,591. The excess of income over expenditure for the period (excluding Restricted Fixed Asset and Pension funds) was £4,183,502.

The balance of the former schools' budget share £3,083,504 was transferred across on conversion and is shown as Unrestricted Funds.

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

At 31 August 2014 the net book value of fixed assets was £102,054,922 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were professionally valued at £101,634,102. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff

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

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 21 to the financial statements.

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

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the Trust's risks exposure and a process is in place for identifying the operating, financial and compliance controls to mitigate those risks. The Board maintain an Audit & Risk Committee, whose primary objective is to review, on an on-going basis, the risks that the Trust faces in terms of its operations, financial management and compliance with statutory and regulatory requirements. A consolidated risk register is maintained which details risk exposure and the mitigating items. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

- Financial - the Trust has considerable reliance on continued Government funding through the EFA. In the period, a significant amount of the Trust's incoming resources were ultimately Government funded, with the overall GAG allocations making up 67% of the total incoming resources. 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 its ability to continue to attract applicants 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 engaged an internal audit provider to carry out checks on the adequacy of financial systems and controls in each school as required by the EFA Academies Financial Handbook.

The Trustees examine the financial health of the Trust formally every term. The Finance Committee review actual performance against budgets and overall expenditure by means of regular update reports at meetings. The Trustees also regularly review cash flow forecasts and ensure that 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 29 to the financial statements, represents a significant potential liability.

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

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

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.

c. RESERVES POLICY

The company 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 Trust and set-aside designated reserves as appropriate to maintain the stable progression of the Trust. The Trust's policy is to maintain a balance of at least £1.5 million of free reserves, which will be sufficient to meet one month of net salary costs. The amount of free reserves as at 31 August 2014 is considerably higher than the policy amount due to the level of net surplus balances transferred in on conversion from Local Authorities.

In line with most 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 Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the 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 Trust.

d. MATERIAL INVESTMENTS POLICY

During the initial period, 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.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. Furthermore, it will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2014 and signed on the board's behalf by:



**Sir Brian G Pearce
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.

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sir Brian G Pearse, Chair of Trustees	3	3
Mr J R Deacon, Trustee	3	3
Mr B Dagnall, Trustee	1	3
Fr W M Muir, Trustee	2	3
Mrs H Brown, Trustee	3	3
Mr J C Mannix, Accounting Officer	2	3
Mr N J Pitt, Trustee	2	3
Mrs F B Guppy, Trustee	3	3
Mr E Howard, Trustee	1	3
Mr P R Cotter, Trustee	2	3
Mr G R Johnson, Trustee	1	3
Mr D A Anderson, Trustee	2	3
Mrs J A Scarborough, Trustee	3	3
Mrs H M Brown, Trustee	2	3
Ms S Barreto, Trustee	2	3

Governance reviews:

Following Plymouth CAST's official inception on 1 April 2014 a number of the initial project Board members formally became Board members. As the Board has only been officially in place for 5 months no evaluation or review has taken place. It has been agreed that a full review will take place within the 2014/15 academic year.

The **Finance Committee** is a sub-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 Chief Financial Officer and Finance Manager from CAST Central support. The committee meets at least termly, depending on the priorities that arise within any one term.

The finance committee's purpose is:

- To oversee the financial affairs of Plymouth CAST; including the oversight of the annual budget setting process and the regular report to the Trust Board on all financial matters.
- To ensure compliance with the Finance Policy and procedures document, Best Value Statement and Academies Financial Handbook and ensure that Trust financial control systems are robust.
- To ensure the Annual Report and Accounts are produced in accordance with the Academies Financial Handbook, as well as reviewing the annual report and accounts and recommendation for approval to the Members and Trust Board.
- To have a strategic view regarding forward planning of school finances through longer term financial plans and projections, including capital funding both for maintenance of existing facilities and for school

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

GOVERNANCE STATEMENT (continued)

improvement project.

- To review and monitor all policies under the scope of the Finance and Audit & Risk Committee's, as delegated from the Trust Board.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Sir Brian G Pearse, Chair of Trustees	1	1
Mr J R Deacon, Trustee	1	1
Mr N J Pitt, Trustee	1	1
Mr D A Anderson, Trustee	1	1

The **Audit & Risk Committee** is a further sub-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 Chief Financial Officer and Finance Manager from CAST Central support. The committee meets at least termly, 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, and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
- To advise the Board on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and internal audit service (IAS).
- To recommend (jointly with the Finance and General Purposes Committee) the annual financial statements to the Board for approval.
- To ensure that all allegations of fraud and irregularity are properly followed up.
- To review and monitor all policies under the scope of the Finance and Audit & Risk Committee's, as delegated from the Trust Board.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Sir Brian G Pearse, Chair of Trustees	1	1
Mr J R Deacon, Trustee	1	1
Mr B Dagnall, Trustee	0	1
Mr D A Anderson, Trustee	1	1

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 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. For the period prior to the official inception of the Plymouth CAST Board on 1 April 2014, the system of internal control was undertaken jointly by the governing body of St Nicholas Catholic Primary School working in partnership with the project board of Plymouth CAST. From 1 April 2014, the system of internal control has been undertaken by the Plymouth CAST Board and has continued 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 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 Trust's significant

GOVERNANCE STATEMENT (continued)

risks, that has been in place for the period 11 March 2013 to 31 August 2014 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 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 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.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The internal auditor has reported to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities for the period 11 March 2013 to 31 August 2014.

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 2013. In accordance with these requirements, an initial review of the support provided by Plymouth CAST central support and their procedures was completed and reported to the Audit and Risk committee.

The opinions given in this report were based on the discussions and evaluation of the systems and controls reviewed and the results from testing a sample of transactions across a range of schools. The finance committee at each school completed a self-assessment of internal controls which was evaluated on an individual basis and tested during individual school visits. This full evaluation provided an overview of internal control across all of the Trust's schools.

As a part of this process, one issue identified was that no formalised risk management strategy and policy had been developed. Following these findings, the Audit & Risk Committee have reviewed this and are in the process of developing necessary strategies and policies to best monitor, manage and control such risks, as and when they arise. A sample of schools have also been reviewed by Devon Audit Partnership. Recommendations have been made in respect of two schools and the Trust is developing an action plan to address the recommendations.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

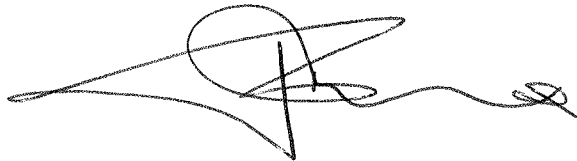
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditors 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 8 December 2014 and signed on its behalf, by:



Sir Brian G Pearce
Chair of Trustees



Mr J C Mannix
Accounting Officer

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Plymouth CAST I have considered my responsibility to notify the 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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.

A handwritten signature in black ink, appearing to read 'J C Mannix', with a large circular flourish at the end.

Mr J C Mannix
Accounting Officer

Date: 8 December 2014

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014**

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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:



**Sir Brian G Pearce
Chair of Trustees**

Date: 8 December 2014

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH CAST

We have audited the financial statements of Plymouth CAST for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2013 to 2014 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Academies Accounts Direction 2013 to 2014 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 period for which the financial statements are prepared is consistent with the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLYMOUTH CAST

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.



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
10 December 2014

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

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

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 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Plymouth CAST during the period 11 March 2013 to 31 August 2014 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 2012, 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 2013 to 2014. 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 period 11 March 2013 to 31 August 2014 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 2013 to 2014 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 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)**

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 period 11 March 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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
10 December 2014

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer from Local Authority on conversion	2	3,083,504	(11,997,310)	13,220,987	4,307,181
Transfer from Diocese of Plymouth on conversion	2			75,723,650	75,723,650
Transfer from Other Institutions on conversion	2			13,961,350	13,961,350
Other voluntary income	2		230,018		230,018
Activities for generating funds	3	51,599			51,599
Investment income	4	899			899
Other incoming resources from charitable activities	5	1,063,621	17,228,260	252,402	18,544,283
TOTAL INCOMING RESOURCES		4,199,623	5,460,968	103,158,389	112,818,980
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs		1,183	-	-	1,183
Charitable activities	6	863,403	16,310,395	1,331,517	18,505,315
Governance costs	7	-	218,108	-	218,108
TOTAL RESOURCES EXPENDED	10	864,586	16,528,503	1,331,517	18,724,606
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		3,335,037	(11,067,535)	101,826,872	94,094,374
Transfers between Funds	21	-	(436,511)	436,511	-
NET INCOME FOR THE PERIOD		3,335,037	(11,504,046)	102,263,383	94,094,374
Actuarial gains and losses on defined benefit pension schemes	21	-	(1,400,000)	-	(1,400,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		3,335,037	(12,904,046)	102,263,383	92,694,374
Total funds at 11 March 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		3,335,037	(12,904,046)	102,263,383	92,694,374

All of the Trust's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 23 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	17		102,054,922
CURRENT ASSETS			
Debtors	18	1,368,121	
Cash at bank and in hand		5,371,562	
		<u>6,739,683</u>	
CREDITORS: amounts falling due within one year	19	(2,547,641)	
NET CURRENT ASSETS			<u>4,192,042</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>106,246,964</u>
CREDITORS: amounts falling due after more than one year	20	(236,590)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>106,010,374</u>
Defined benefit pension scheme liability	29	(13,316,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>92,694,374</u>
FUNDS OF THE ACADEMY			
Restricted funds:			
General funds	21	411,954	
Fixed asset funds	21	102,263,383	
		<u>102,675,337</u>	
Restricted funds excluding pension liability		(13,316,000)	
Pension reserve			
Total restricted funds			<u>89,359,337</u>
Unrestricted funds	21		<u>3,335,037</u>
TOTAL FUNDS			<u>92,694,374</u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:



Sir Brian G Pearce
Chair of Trustees

The notes on pages 23 to 51 form part of these financial statements.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

		Period ended 31 August 2014 £
	Note	
Net cash flow from operating activities	23	2,515,209
Returns on investments and servicing of finance	24	899
Capital expenditure and financial investment	24	(228,050)
Cash transferred on conversion to an academy trust	27	3,083,504
INCREASE IN CASH IN THE PERIOD		5,371,562

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

	Period ended 31 August 2014 £
Increase in cash in the period	5,371,562
MOVEMENT IN NET FUNDS IN THE PERIOD	5,371,562
NET FUNDS AT 31 AUGUST 2014	5,371,562

The notes on pages 23 to 51 form part of these financial statements.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 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.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 RESOURCES EXPENDED

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

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 one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the period ended 31 August 2014.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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 stated at cost less depreciation. 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:

Land	-	0.8% straight line
Long term leasehold property	-	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 under Supplemental Agreements for each school. The Academies Financial Handbook 2013-14 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 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.

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 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

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 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 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 quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.11 CONVERSION TO AN ACADEMY TRUST

The conversion from a voluntary aided school to part of a Multi-Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion (from the schools listed below) have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Plymouth CAST. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The abbreviation CPS in the school names below stands for Catholic Primary School.

- Christ the King CPS
- St Mary's CPS, Bodmin
- St John's CPS, Camborne
- St Mary's CPS, Falmouth
- St Mary's CPS, Penzance
- Our Lady's CPS
- Our Lady and St Patrick's CPS
- St John's CPS, Tiverton
- St John the Baptist CPS
- St Joseph's CPS, Exmouth
- St Joseph's CPS, Newton Abbot
- St Mary's CPS, Axminster
- St Mary's CPS, Buckfast
- St Nicholas CPS
- St Augustine's CPS
- St Catherine's CPS, Wimborne
- St Catherine's CPS, Bridport
- St Mary's CPS, Marnhull
- St Mary's Catholic First School
- St Mary's CPS, Swanage
- St Mary & St Joseph's CPS
- Holy Cross CPS
- Keyham Barton CPS
- Priory CPS
- Queensway CPS
- Sacred Heart CPS
- Notre Dame RC School
- St Boniface's RC College
- St Joseph's CPS, Devonport
- St Margaret Clitherow CPS
- St Paul's CPS
- St Peter's CPS
- The Cathedral of St Mary
- St Joseph's CPS, Poole
- St Mary's CPS, Poole

Further details of the transaction are set out in note 27.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Transfer from Local Authority on conversion	3,083,504	1,223,677	4,307,181
Transfer from Diocese of Plymouth on conversion	-	75,723,650	75,723,650
Transfer from Other Institutions on conversion	-	13,961,350	13,961,350
	3,083,504	90,908,677	93,992,181
Donations	-	230,018	230,018
Voluntary income	3,083,504	91,138,695	94,222,199

Transfer from Local Authority on conversion

This represents the valuation of long term leasehold land owned by the the Local Authorities which has been transferred to Plymouth CAST on conversion, for educational purposes. This also represents the LGPS deficit and individual school surplus and deficit balances transferred on conversion.

Transfer from Diocese of Plymouth on conversion

This represents the valuation of long term leasehold land and buildings owned by the Diocese of Plymouth but transferred to Plymouth CAST on conversion, for educational purposes and specifically for occupation by the Catholic schools in the diocese, as specified in the Church Supplemental Agreements.

Transfer from Other Institutions on conversion

This represents the valuation of freehold land and long term leasehold land and buildings owned by Other Institutions that have been transferred to Plymouth CAST on conversion, for educational purposes and specifically for occupation by the Catholic schools in the diocese, as specified in Supplemental Agreements.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Lettings	38,347	-	38,347
External Catering	11,324	-	11,324
Other	1,928	-	1,928
	51,599	-	51,599

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Bank interest	899	-	899

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Education	556,960	17,473,067	18,030,027
Nursery	506,661	7,595	514,256
	<u>1,063,621</u>	<u>17,480,662</u>	<u>18,544,283</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA grants			
General Annual Grant	-	14,373,435	14,373,435
Start up Grants	-	1,196,000	1,196,000
Capital Grants	-	238,616	238,616
Other DfE/EFA grants	-	1,093,317	1,093,317
Other government grants: capital	-	13,786	13,786
	<u>-</u>	<u>16,915,154</u>	<u>16,915,154</u>
Other government grants			
Local authority grants	-	100,007	100,007
High Needs	-	457,906	457,906
	<u>-</u>	<u>557,913</u>	<u>557,913</u>
Other funding			
Internal catering income	167,933	-	167,933
Sales to students	16,120	-	16,120
Other	372,907	-	372,907
	<u>556,960</u>	<u>-</u>	<u>556,960</u>
	<u>556,960</u>	<u>17,473,067</u>	<u>18,030,027</u>

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Education	523,257	17,601,966	18,125,223
Nursery	340,146	39,946	380,092
	863,403	17,641,912	18,505,315

7. GOVERNANCE COSTS

	Total funds 2014 £
Internal audit costs	4,132
Auditors' remuneration	22,100
Auditors' non audit costs	10,150
Legal and Professional	160,256
Other costs	3,015
Trustees expenses reimbursed	1,320
Clerk to Trustees' costs	17,135
	218,108

8. DIRECT COSTS

	Education	Nursery	Total 2014
Pension finance costs	62,000	-	62,000
Educational supplies	616,163	29,393	645,556
Examination fees	86,150	-	86,150
Staff development	89,358	2,914	92,272
Other costs	262,604	7,319	269,923
Supply teachers	214,136	1,007	215,143
Legal and professional	374,311	-	374,311
Wages and salaries	9,008,674	101,040	9,109,714
National insurance	577,353	4,990	582,343
Pension cost	1,430,222	18,711	1,448,933
Depreciation	1,106,413	34,219	1,140,632
	13,827,384	199,593	14,026,977

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

9. SUPPORT COSTS

	Education £	Nursery £	Total 2014 £
Pension finance costs	37,000	-	37,000
Educational supplies	1,235	-	1,235
Other costs	34,402	3,349	37,751
Recruitment and other staff costs	83,291	2,576	85,867
Maintenance of premises and equipment	302,692	12,161	314,853
Cleaning	239,070	12,112	251,182
Rent and rates	147,811	4,571	152,382
Heat and light	175,089	5,415	180,504
Insurance	244,353	8,577	252,930
Security and transport	64,060	-	64,060
Catering	311,019	-	311,019
Technology costs	7,066	-	7,066
Office overheads	483,690	17,010	500,700
Legal and professional	207,300	6,411	213,711
Bank interest and charges	12,424	327	12,751
Wages and salaries	1,405,926	82,729	1,488,655
National insurance	51,113	4,116	55,229
Pension cost	305,140	15,418	320,558
Depreciation	185,158	5,727	190,885
	4,297,839	180,499	4,478,338

10. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other 2014 £	Total 2014 £
Fundraising expenses	-	-	1,183	1,183
COSTS OF GENERATING FUNDS	-	-	1,183	1,183
Direct costs - Education	11,016,249	-	2,811,135	13,827,384
Direct costs - Nursery	124,741	-	74,852	199,593
Support costs - Education	1,762,179	864,662	1,670,998	4,297,839
Support costs - Nursery	102,263	34,259	43,977	180,499
CHARITABLE ACTIVITIES	13,005,432	898,921	4,600,962	18,505,315
GOVERNANCE	-	-	218,108	218,108
	13,005,432	898,921	4,820,253	18,724,606

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £
Education	13,827,384	4,297,839	18,125,223
Nursery	199,593	180,499	380,092
Total	<u>14,026,977</u>	<u>4,478,338</u>	<u>18,505,315</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	Period ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned by the charity	1,331,517
Auditors' remuneration	22,100
Auditors' remuneration - non-audit	10,150
Internal audit costs	<u>4,132</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2014 £
Wages and salaries	10,474,320
Social security costs	637,572
Other pension costs (Note 29)	<u>1,769,491</u>
	12,881,383
Staff restructuring costs	<u>124,049</u>
	<u>13,005,432</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £82,499. Five of the non statutory/non-contractual payments exceeded £5,000 individually and these were for £24,449, £12,000, £11,525, £10,000 and £6,357.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

13. STAFF (continued)

c. Staff numbers

The average number of persons employed by the Trust during the period expressed as full time equivalents was as follows:

	Period ended 31 August 2014 No.
Teachers	297
Educational Support	348
Administration & Clerical	113
Management	92
	<hr/>
	850
	<hr/>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	Period ended 31 August 2014 No.
In the band £25,000 - £29,166 (pro rated for 5 months)	4
In the band £29,167 - £33,333 (pro rated for 5 months)	2
In the band £45,835 - £50,001 (pro rated for 5 months)	1
In the band £53,333 - £60,000 (pro rated for 8 months)	1
	<hr/>
	8
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All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 employer's pension contributions for these staff amounted to £32,982.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

14. CENTRAL SERVICES

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

- 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 as part of a pooled ESG arrangement whereby ESG funding, based on pupil numbers, 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 period were as follows:

	Period ended 31 August 2014 £
Christ the King CPS	20,714
St Mary's CPS, Bodmin	15,093
St John's CPS, Camborne	9,935
St Mary's CPS, Falmouth	13,644
St Mary's CPS, Penzance	11,196
Our Lady's CPS	11,255
Our Lady and St Patrick's CPS	13,331
St John's CPS, Tiverton	11,444
St John the Baptist CPS	5,030
St Joseph's CPS, Exmouth	12,701
St Joseph's CPS, Newton Abbot	8,048
St Mary's CPS, Axminster	7,797
St Mary's CPS, Buckfast	4,401
St Nicholas CPS	53,858
St Augustine's CPS	14,477
St Catherine's CPS, Wimborne	12,378
St Catherine's CPS, Bridport	12,812
St Mary's CPS, Marnhull	4,560
St Mary's Catholic First School	10,206
St Mary's CPS, Swanage	12,667
St Mary & St Joseph's CPS	9,410
Holy Cross CPS	14,084
Keyham Barton CPS	12,135
Priory CPS	12,896
Queensway CPS	12,261
Sacred Heart CPS	14,464
Notre Dame RC School	54,891
St Boniface's RC College	46,843
St Joseph's CPS, Devonport	8,614
St Margaret Clitherow CPS	8,068
St Paul's CPS	13,141
St Peter's CPS	11,569
The Cathedral of St Mary	7,231
St Joseph's CPS, Poole	20,372
St Mary's CPS, Poole	26,408
Total	<u>537,934</u>

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Period ended 31 August 2014 £
Mr J C Mannix, Trustee (pro rated for 8 months)	53,333 - 60,000
Mr P R Cotter, Trustee (pro rated for 5 months)	25,000 - 29,167
Mr E Howard, Trustee (pro rated for 5 months)	25,000 - 29,167
Mrs J A Scarborough, Trustee (pro rated for 5 months)	22,917 - 24,999
Ms S Barreto, Trustee (pro rated for 5 months)	22,917 - 24,999
Mrs H Brown, Trustee (pro rated for 5 months)	22,917 - 24,999
Mrs H M Brown, Trustee (pro rated for 5 months)	20,833 - 22,916
Mrs F B Guppy, Trustee (pro rated for 5 months)	20,833 - 22,916

During the period, travel expenses totalling £1,320 were reimbursed to Trustees.

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £3,284. The cost of this insurance is included in the total insurance cost.

17. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST						
Additions	-	339,205	24,570	48,025	68,652	480,452
Transfer on conversion	50,000	101,584,102	5,680	668,077	598,128	102,905,987
At 31 August 2014	50,000	101,923,307	30,250	716,102	666,780	103,386,439
DEPRECIATION						
At 11 March 2013	-	-	-	-	-	-
Charge for the period	167	1,175,515	2,303	60,817	92,715	1,331,517
At 31 August 2014	167	1,175,515	2,303	60,817	92,715	1,331,517
NET BOOK VALUE						
At 31 August 2014	49,833	100,747,792	27,947	655,285	574,065	102,054,922

Included within Long term leasehold property additions, are costs totalling £79,186 which relate to an asset under construction.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

18. DEBTORS

	2014 £
Trade debtors	14,595
Other debtors	219,559
Prepayments and accrued income	1,133,967
	<hr/>
	1,368,121
	<hr/>

19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £
Trade creditors	285,541
Other taxation and social security	887,887
Other creditors	25,000
Accruals and deferred income	1,349,213
	<hr/>
	2,547,641
	<hr/>

DEFERRED INCOME

Resources deferred during the period	£ 719,528
	<hr/>

All of the deferred income relates to 2014/15 Universal Infant Free School Meals funding which was received in advance.

20. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £
Other creditors	236,590
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PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	-	4,199,623	(864,586)	-	-	3,335,037
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	14,373,435	(13,626,359)	(466,600)	-	280,476
Start up grant	-	1,196,000	(826,848)	-	-	369,152
Other DfE/EFA grants	-	1,093,317	(921,681)	-	-	171,636
Other	-	795,526	(795,526)	-	-	-
Devolved formula capital	-	-	(30,089)	30,089	-	-
Deficit transferred on conversion from Local Authority	-	(409,310)	-	-	-	(409,310)
Pension reserve	-	(11,588,000)	(328,000)	-	(1,400,000)	(13,316,000)
	-	5,460,968	(16,528,503)	(436,511)	(1,400,000)	(12,904,046)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	-	102,905,987	(1,324,921)	-	-	101,581,066
Fixed assets purchased from GAG and other restricted funds	-	-	(6,572)	466,600	-	460,028
DfE/EFA Capital grants	-	238,550	-	(30,089)	-	208,461
Local Authority Capital grants	-	13,852	(24)	-	-	13,828
	-	103,158,389	(1,331,517)	436,511	-	102,263,383
Total restricted funds	-	108,619,357	(17,860,020)	-	(1,400,000)	89,359,337
Total of funds	-	112,818,980	(18,724,606)	-	(1,400,000)	92,694,374

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. STATEMENT OF FUNDS (continued)

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

Restricted Funds

General Annual Grant

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

Start up Grant

This fund represents support grants (one off lump sum funding from the EFA) to each of the newly converted schools to contribute to the conversion costs, one off lump sum funding for Sponsor Capacity Funding to assist the Multi-Academy Trust in sponsoring their first school and also for Sponsored Income Grants to be used to cover pre-opening costs of the sponsored schools

Other DfE/EFA grants

This represents amounts of DfE/EFA 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), EIG (to fund light capital works which will have an impact on pupil learning spaces and to make a visual statement that the "old school" has become a part of the new Multi-Academy Trust), PE and Sport Premium (to improve the quality of PE and sport activities being offered to pupils) and other small grants.

Other

This represents funding from Local Authority for SEN / High Needs (to fund further support for students with additional needs), funding for Growth (to increase a school's capacity) and also includes restricted donations that have been received from various sources.

Devolved formula capital

This represents EFA formula funding which is used to fund capital maintenance at each of the schools.

Deficit transferred on conversion from Local Authority

This represents the revenue deficits from those schools which were in 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

This represents the land, buildings and equipment donated to the schools from the Local Authorities, Diocese of Plymouth and Other Institutions on conversion to a Multi-Academy Trust.

DfE/EFA capital grants

This represents formula capital funding from the EFA to cover the purchase and maintenance of Trust assets. Where this funding is expended on repairs, a transfer is made to restricted funds.

Local Authority capital grants

This represents funding received from Local Authorities for specific capital purchases.

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 2014.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2014 were allocated as follows:

	£
Christ the King CPS	252,387
St Mary's CPS, Bodmin	99,839
St John's CPS, Camborne	51,207
St Mary's CPS, Falmouth	207,796
St Mary's CPS, Penzance	(71,223)
Our Lady's CPS	46,729
Our Lady and St Patrick's CPS	82,537
St John's CPS, Tiverton	93,894
St John the Baptist CPS	62,195
St Joseph's CPS, Exmouth	58,997
St Joseph's CPS, Newton Abbot	28,077
St Mary's CPS, Axminster	-
St Mary's CPS, Buckfast	6,412
St Nicholas CPS	518
St Augustine's CPS	34,522
St Catherine's CPS, Wimborne	68,506
St Catherine's CPS, Bridport	25,984
St Mary's CPS, Marnhull	6,378
St Mary's Catholic First School	81,107
St Mary's CPS, Swanage	217,557
St Mary & St Joseph's CPS	94,085
Holy Cross CPS	105,915
Keyham Barton CPS	91,438
Priory CPS	44,091
Queensway CPS	35,509
Sacred Heart CPS	82,210
Notre Dame RC School	538,681
St Boniface's RC College	(276,599)
St Joseph's CPS, Devonport	74,918
St Margaret Clitherow CPS	95,707
St Paul's CPS	35,651
St Peter's CPS	57,175
The Cathedral of St Mary	92,444
St Joseph's CPS, Poole	26,663
St Mary's CPS, Poole	624,863
Plymouth CAST Central	561,784
Orchard Nursery	109,037
Total before fixed asset fund and pension reserve	3,746,991
Restricted fixed asset fund	102,263,383
Pension reserve	(13,316,000)
Total	92,694,374

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. STATEMENT OF FUNDS (continued)

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

Name of school	Amount of deficit £
St Mary's Catholic School, Penzance	(71,223)
St Boniface's RC College	(276,599)

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

St Mary's Catholic School (Penzance) is in a deficit position as a result of £77,178 of redundancies in the period. The redundancies were made in order to reduce future costs for the school to ensure that a balanced budget is attainable. This reduction in the cost base will also contribute to reducing the deficit position in the near future.

St Boniface's RC College is in a deficit position as a result of a large deficit adopted on conversion. It has been agreed with the EFA that the deficit will be recouped through an abatement of GAG over the next 3 years, which should see the deficit decrease and clear by 31 August 2017.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. STATEMENT OF FUNDS (continued)

ANALYSIS OF SCHOOLS BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Christ the King CPS	371,347	85,622	36,893	116,335	610,197
St Mary's CPS, Bodmin	302,557	45,196	26,913	84,864	459,530
St John's CPS, Camborne	205,867	23,717	17,718	55,869	303,171
St Mary's CPS, Falmouth	221,278	17,238	24,334	76,731	339,581
St Mary's CPS, Penzance	275,498	23,170	19,736	62,234	380,638
Our Lady's CPS	203,245	50,412	20,072	63,295	337,024
Our Lady and St Patrick's CPS	268,746	42,155	23,773	74,963	409,637
St John's CPS, Tiverton	229,096	45,951	20,409	64,355	359,811
St John the Baptist CPS	104,239	12,831	8,971	28,288	154,329
St Joseph's CPS, Exmouth	209,241	25,833	22,652	71,427	329,153
St Joseph's CPS, Newton Abbot	152,168	23,489	14,353	45,261	235,271
St Mary's CPS, Axminster	179,246	19,861	13,905	43,846	256,858
St Mary's CPS, Buckfast	127,442	18,040	7,850	24,752	178,084
St Nicholas CPS	1,113,753	146,724	74,346	234,437	1,569,260
St Augustine's CPS	254,834	25,474	22,427	70,720	373,455
St Catherine's CPS, Wimborne	198,236	27,779	19,175	60,466	305,656
St Catherine's CPS, Bridport	227,202	33,613	19,848	62,587	343,250
St Mary's CPS, Marnhull	120,265	17,747	7,065	22,277	167,354
St Mary's Catholic First School	147,209	20,242	15,811	49,858	233,120
St Mary's CPS, Swanage	203,872	25,721	19,624	60,662	309,879
St Mary & St Joseph's CPS	167,634	32,343	14,578	45,968	260,523
Holy Cross CPS	238,318	34,430	25,119	79,207	377,074
Keyham Barton CPS	279,818	40,423	21,642	68,245	410,128
Priory Roman CPS	230,542	39,816	22,764	71,781	364,903
Queensway CPS	273,950	20,984	21,642	68,245	384,821
Sacred Heart CPS	291,931	26,499	25,567	80,621	424,618
Notre Dame RC School	1,266,977	201,213	96,549	304,450	1,869,189
St Boniface's RC College	1,117,579	164,473	83,205	262,372	1,627,629
St Joseph's CPS, Devonport	167,847	32,041	15,363	48,443	263,694
St Margaret Clitherow CPS	163,406	20,050	14,241	44,907	242,604
St Paul's CPS	234,026	40,565	23,436	73,903	371,930
St Peter's CPS	186,229	40,620	20,633	65,063	312,545
The Cathedral of St Mary	157,343	30,960	12,896	40,664	241,863
St Joseph's CPS, Poole	385,624	73,626	36,332	114,567	610,149
St Mary's CPS, Poole	406,206	45,889	47,097	148,513	647,705
Plymouth CAST Central	350,027	290,281	29,988	478,408	1,148,704
Orchard Nursery	-	124,741	1,157	53,854	179,752
	11,032,798	1,989,769	948,084	3,422,438	17,393,089

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	4,199,623	(864,586)	-	-	3,335,037
Restricted funds	-	5,460,968	(16,528,503)	(436,511)	(1,400,000)	(12,904,046)
Restricted fixed asset funds	-	103,158,389	(1,331,517)	436,511	-	102,263,383
	-	112,818,980	(18,724,606)	-	(1,400,000)	92,694,374

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	102,054,922	102,054,922
Current assets	3,335,037	3,196,184	208,461	6,739,682
Creditors due within one year	-	(2,547,640)	-	(2,547,640)
Creditors due in more than one year	-	(236,590)	-	(236,590)
Pension scheme liability	-	(13,316,000)	-	(13,316,000)
	3,335,037	(12,904,046)	102,263,383	92,694,374

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2014 £
Net incoming resources before revaluations	94,094,374
Returns on investments and servicing of finance	(899)
Net assets transferred on conversion	(93,992,181)
Depreciation of tangible fixed assets	1,331,517
Capital grants from DfE/EFA	(252,402)
Increase in debtors	(1,368,121)
Increase in creditors	2,374,921
Defined benefit pension scheme adjustments	328,000
NET CASH INFLOW FROM OPERATIONS	2,515,209

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 31 August 2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	899
	<u>899</u>
	Period ended 31 August 2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(480,452)
Capital grants from DfE/EFA	252,402
	<u>(228,050)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(228,050)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	11 March 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	5,371,562	-	5,371,562
NET FUNDS	<u>-</u>	<u>5,371,562</u>	<u>-</u>	<u>5,371,562</u>

26. 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.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

27. CONVERSION TO AN ACADEMY TRUST

During the period the following schools converted to academy trust status under the Academies Act 2010:

- Christ the King CPS
- St Mary's CPS, Bodmin
- St John's CPS, Camborne
- St Mary's CPS, Falmouth
- St Mary's CPS, Penzance
- Our Lady's CPS
- Our Lady and St Patrick's CPS
- St John's CPS, Tiverton
- St John the Baptist CPS
- St Joseph's CPS, Exmouth
- St Joseph's CPS, Newton Abbot
- St Mary's CPS, Axminster
- St Mary's CPS, Buckfast
- St Nicholas CPS
- St Augustine's CPS
- St Catherine's CPS, Wimborne
- St Catherine's CPS, Bridport
- St Mary's CPS, Marnhull
- St Mary's Catholic First School
- St Mary's CPS, Swanage
- St Mary & St Joseph's CPS
- Holy Cross CPS
- Keyham Barton CPS
- Priory Roman CPS
- Queensway CPS
- Sacred Heart CPS
- Notre Dame RC School
- St Boniface's RC College
- St Joseph's CPS, Devonport
- St Margaret Clitherow CPS
- St Paul's CPS
- St Peter's CPS
- The Cathedral of St Mary
- St Joseph's CPS, Poole
- St Mary's CPS, Poole

At the dates of conversion, all assets and liabilities were transferred to Plymouth CAST for £Nil consideration from each Local Authority, the Diocese of Plymouth and Other Institutions. The following table sets out the fair values of the identifiable assets and liabilities transferred on conversion with an analysis of their recognition in the Statement of financial activities.

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

27. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	101,634,102	101,634,102
- Other tangible fixed assets	-	-	1,271,885	1,271,885
Budget surplus/(deficit) on LA funds	3,083,504	(409,310)	-	2,674,194
LGPS pension surplus/(deficit)	-	(11,588,000)	-	(11,588,000)
Net assets/(liabilities)	<u>3,083,504</u>	<u>(11,997,310)</u>	<u>102,905,987</u>	<u>93,992,181</u>

The above net assets include £3,083,504 that were transferred as cash.

28. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £
Contracted for but not provided in these financial statements	<u>241,044</u>

29. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £438,579 were payable to the scheme at 31 August 2014 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

29. PENSION COMMITMENTS (continued)

(including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and has

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

29. PENSION COMMITMENTS (continued)

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 period ended 31 August 2014 was £784,579, of which employer's contributions totalled £183,807 and employees' contributions totalled £600,772. 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 school closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2014 £
Present value of funded obligations	(16,735,000)
Fair value of scheme assets	3,419,000
	<hr/>
Net liability	(13,316,000)
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The amounts recognised in the Statement of financial activities are as follows:

	Period ended 31 August 2014 £
Current service cost	(837,000)
Interest on obligation	(306,000)
Expected return on scheme assets	207,000
Past service cost	(18,711)
	<hr/>
Total	(954,711)
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PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

29. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2014 £
Current service cost	837,000
Interest cost	306,000
Contributions by scheme participants	187,000
Actuarial Losses	1,560,000
Liability transferred on conversion	13,845,000
	<hr/>
Closing defined benefit obligation	16,735,000
	<hr/> <hr/>

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

	Period ended 31 August 2014 £
Expected return on assets	207,000
Actuarial gains and (losses)	160,000
Contributions by employer	608,000
Contributions by employees	187,000
Asset transferred on conversion	2,257,000
	<hr/>
	3,419,000
	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(1,400,000).

The Trust expects to contribute £1,329,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014
Equities	55.67 %
Bonds	14.67 %
Property	8.33 %
Cash	4.00 %
Gilts	8.67 %
Absolute Return Portfolio	- %
Alternative Assets	2.33 %

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

29. PENSION COMMITMENTS (continued)

Cornwall LGPS:

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

	2014
Discount rate for scheme liabilities	3.70 %
Expected return on scheme assets at 31 August	4.80 %
Rate of increase in salaries	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %
Inflation assumption (CPI)	2.70 %

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

	2014
Retiring today	
Males	22.2 years
Females	24.4 years
Retiring in 20 years	
Males	24.4 years
Females	26.8 years

Devon LGPS:

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

	2014
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	6.00 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %

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

	2014
Retiring today	
Males	22.7 years
Females	26.0 years
Retiring in 20 years	
Males	24.9 years
Females	28.3 years

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

29. PENSION COMMITMENTS (continued)

Dorset LGPS:

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

	2014
Discount rate for scheme liabilities	3.90 %
Expected return on scheme assets at 31 August	5.60 %
Rate of increase in salaries	4.20 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %

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

	2014
Retiring today	
Males	22.7 years
Females	25.1 years
Retiring in 20 years	
Males	24.9 years
Females	27.4 years

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014
	£
Defined benefit obligation	(16,735,000)
Scheme assets	3,419,000
Deficit	(13,316,000)
Experience adjustments on scheme liabilities	(1,560,000)
Experience adjustments on scheme assets	160,000

30. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	Other 2014 £
EXPIRY DATE:		
Within 1 year	-	5,607
Between 2 and 5 years	-	142,698

PLYMOUTH CAST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

31. 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, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have 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.

During the period, purchases totalling £142,681 for resources, services and fixed assets were made from Plymouth Roman Catholic Diocesan Trustees Registered (PRCDTR), a member of Plymouth CAST. At 31 August 2014, Plymouth CAST owed PRCDTR £25,000.

During the period, purchases totalling £13,368 for resources and services were made from Dart Abbey Enterprises Limited, a company where a Director is also a Trustee of Plymouth CAST. At 31 August 2014, Plymouth CAST owed Dart Abbey Enterprises Limited £Nil.

32. POST BALANCE SHEET EVENTS

An existing school site in Swanage is set to be returned to the Sisters of Mercy (Swanage) post year end. A new school building has been built on a new site by the local authority. Ownership of the new school build remained with the local authority at 31 August 2014. The completion statement in respect of the new build is dated post year end (September 2014) and the legal handover date is September 2015 following the completion of a 12 month rectification period. The new school building will be gifted to Plymouth CAST from the Local Authority.

33. 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.

