

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**GOVERNORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 AUGUST 2017**

**(A Company limited by guarantee not having a share capital)**

**Company Number: 1515144**

**Charity Number: 510515**



**HOWARDS LIMITED**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**AND REGISTERED AUDITORS**

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**A REGISTERED CHARITY (NUMBER : 510515)**  
**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 AUGUST 2017**

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**CASTLE HOUSE SCHOOL TRUST LIMITED****A REGISTERED CHARITY – NUMBER 510515****COMPANY NUMBER - 1515144****GOVERNORS' REPORT AND FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017**

The school governors, who are also directors of the charity for the purposes of the Companies Act, present their annual report for the year ended 30 August 2017, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Trust's Memorandum and Articles of Association, and the Charities SORP (FRS 102).

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Castle House School Trust Limited was formed in September 1980, a company limited by guarantee, company number 1515144 and not having share capital and is governed by its Memorandum and Articles of Association. It is registered with the Charity Commission under charity number 510515.

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the school governors.

The governors serving during the year and since the year-end were as follows:

|                          |                        |  |
|--------------------------|------------------------|--|
| <b>Governors</b>         | Mrs A M D Hay          |  |
|                          | Dr M P Deahl           |  |
|                          | Mr M S Symonds         | Resigned 21 August 2017                            |
|                          | Mrs F M Williams       |  |
|                          | Mrs S M Baxter         |  |
|                          | Mrs C Gibbs            |  |
|                          | Mr P A Soutar          | Resigned 26 January 2017                           |
|                          | Mr C R Walker          |  |
|                          | Mr T J Beech           | Resigned 10 July 2017, reappointed 25 January 2018 |
|                          | Mrs M D Langdale       | Resigned 30 August 2017                            |
|                          | Mrs A J Inglis-Jones   | Resigned 26 January 2017                           |
|                          | Mrs J Bailey Banks     | Appointed 3 October 2017                           |
|                          | Mrs L E Calcroft       | Appointed 3 October 2017                           |
| <b>Chairman</b>          | Mrs C Gibbs            |  |
| <b>Members</b>           | Mrs M A Jones          |  |
|                          | Mr M V Taylor          |  |
|                          | Rev Canon J R Williams |  |
|                          | Mr M E Widdows         |  |
| <b>Secretary</b>         | Mrs J Allman           | Resigned 31 August 2017                            |
| <b>Registered Office</b> | Chetwynd End           |  |
|                          | Newport                |  |
|                          | Shropshire             |  |
|                          | TF10 7JE               |  |
| <b>Auditors</b>          | Howards Limited        |  |
|                          | Newport House          |  |
|                          | Newport Road           |  |
|                          | Stafford               |  |
|                          | Staffordshire          |  |
|                          | ST16 1DA               |  |

**CASTLE HOUSE SCHOOL TRUST LIMITED****COMPANY NUMBER - 1515144****REPORT OF THE GOVERNORS (continued)****STRUCTURE, GOVERNANCE AND MANAGEMENT****Organisational Management**

The Castle House School Governors as the trustees of the charity, are legally responsible for the overall management and control of the school. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP) who meet before each meeting of the full Board of Governors. The F&GP operates under its own elected chairman, normally the vice-chairman of the Board of Governors.

The day to day management of the school is delegated to the Head Teacher. The Head Teacher attends all the meetings of the F&GP Committee and the full Board of Governors meetings.

Strategic decisions are made by the Governors after meetings have been held to discuss the issues. Experts have an input giving their opinion on the various proposals. Each proposal is put to a vote, and a decision is made.

**Recruitment and Training of Governors**

The method of appointing new Governors consists of initial nominations made by present Governors, who are often people linked to the school. The nominations are then discussed, and a vote is taken.

The Governors undertake an initial induction process into the workings of the charity including Board Policy and Procedures, organised for them by the Headmaster. The Governors are informed of the specific responsibilities of Trustees by the use of Charity Commission Publications.

Five Governors have resigned during the year. Two new Governors have been appointed since the year-end.

**Risk Management**

The Board of Governors is responsible for the management of the risks faced by the School. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management process is undertaken on an annual basis.

The key controls used by the charity include:

- Formal agendas for all Committee and Board activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

The Governors of Castle House School have examined the risks to which the school is exposed and identified a reduction in pupil numbers as the major risk to the effective operation of the school.

The strategies for dealing with this risk are to carry out effective marketing of the school while constantly reviewing expenditure to reduce costs where possible. Savings have already been made through natural staff wastage and careful management of costs will continue without undermining the quality of education and social interaction offered by the school.

Through the risk management processes established for the school the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems provide reasonable but not absolute assurance that major risks have been adequately managed.

**Key Management Personnel**

The key management personnel are determined to be the Head Teacher only. The pay of all staff is reviewed annually and is subject to review in the independent school sector.

**CASTLE HOUSE SCHOOL TRUST LIMITED****COMPANY NUMBER - 1515144****REPORT OF THE GOVERNORS (continued)****OBJECTIVES AND ACTIVITIES****Charitable Objects**

The charity's objects, as set out in its Memorandum and Articles of Association, for which the charity has been established is to promote and provide for the advancement of education of children. In pursuance of these objects the charity has the powers to acquire, conduct and develop the school undertaking known as Castle House School, Newport, Shropshire. We have referred to the revised guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

A Parents' Liaison Association has been established to sponsor the welfare of the school for the benefit of the pupils. The aims of the Association are to organise and promote social functions and fundraising events.

**Principal Activities**

The principal activity of the trust in the year under review continued to be that of promoting and providing for the enhancement and education of children in the United Kingdom. We aim to provide a first-class education for boys and girls from age 2 to age 11.

**Mission Statement**

At Castle House School, we believe that education is about all aspects of the development of a child: mental, physical, spiritual, aesthetic, cultural, practical, social and emotional. We aim to provide the best for every child individually, within the context of a caring school community in which all are learning to put the interest of others before their own. We expect the children to be happy, because happy children work best; and we believe that they will be truly happiest if we have high expectations of their ability to achieve, to learn to be self-disciplined and to develop responsible attitudes.

We seek to put learning at the heart of all our activities, recognising that the process is as important as the end-product, and that mistakes can be a valuable part of the process, and we would wish to create a love of learning which will inspire all our pupils throughout their lives. With the Christian faith providing a framework of values, beliefs and morals, we are striving to arouse the curiosity of our pupils and to develop their abilities to think critically and respond appropriately, whatever is confronting them. We hope to send them on their way with confidence, a willingness to try their hand and a desire to be positive contributors to society.

**Objectives for the Year**

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School. This objective is, however, set in the context of the broader goals we set for the School and its pupils.

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Our key objectives for the year included:

To consolidate our financial position whilst maintaining a top class service;

To increase pupil numbers in the School and nursery;

To continue to develop the first-class pastoral care we offer to pupils;

To provide continuing support to pupils already in receipt of bursaries;

To continue to attract new pupils requiring bursary support;

To develop our holiday care programme through all school holidays.

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

**OUR ETHOS, STRATEGY AND POLICIES**

Our Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our School provides. In taking forward our strategy we:

Review regularly the School's academic syllabus, teaching practices and examination results;

Ensure the range of co-curricular activities available to our pupils is stimulating and challenging;

Invest in technology and the infrastructure of our School;

Co-operate and share resources with local schools; and

Continue to review and develop our methods for awarding bursaries to ensure wider access to pupils from all backgrounds.

**Our ethos: a caring School serving our local community and society**

Castle House School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School, at a level that is consistent with our aim of providing a first class education to girls and boys, and at a level to enable access by as wide a cross-section of the public as possible.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and visits are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the two most recent Independent Schools' Inspectorate reports, the pastoral care provided by our staff was described as outstanding. Parents are given regular information about their children's social and academic progress through parent evenings in addition to traditional grade sheets and regular contact with parents throughout the year through informal contacts and through our newsletter. We have a vigorous no bullying policy. A pupils' school council contributes the views of the children to the running of the School.

**ACCESS POLICY**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experience which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy and social provision for the community contribute to a widening of access to the education we offer and the facilities we enjoy.

**Wider links with the community**

Our School is part of a wider community and we are pleased to extend our services to children of all backgrounds to access our educational nursery service and our holiday care service, which is open to children from within and outside the School.

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

**Bursary policy**

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we take a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. However, our School does not have a large endowment and in funding our awards we have to be mindful that we must maintain a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 10% to 80% remission of fees. Information about fee assistance through bursaries is provided to all applying to the School. We also advertise the awards in the local press. Further details of our bursary policy and how to apply are available on our website.

The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of bursary awards are also set out in note 2 to the accounts.

**OTHER POLICIES ON ASSISTANCE**

**Financial planning policy**

Timely financial planning is often the key for many parents who are hoping to send their children to Castle House. The School can offer parents information about a number of companies which offer help with planning for independent school fees payments.

**Family discounts policy**

To underline the value we place on continuity for families, we offer discounts where parents have more than one child at the School.

**ACHIEVEMENTS AND PERFORMANCE**

**Key performance indicators**

*The key indicators used are pupil numbers and the measures of educational provision.*

**Pupil numbers and fees**

Pupil numbers in the school decreased during the year from 86 to 78, averaging at 84. The number of children in our CHerubS nursery varied during the year from 15 to 26.

Our fee increases this year were restricted by the Governors to an inflationary increase in line with the Consumer Prices Index. Our school fees for the current year before the deduction of any means-tested bursaries were:

|              |                                  |
|--------------|----------------------------------|
| Reception    | £2,365 per term                  |
| Lower school | £2,600 per term                  |
| Upper school | £2,815 per term                  |
| Nursery      | Similar to other local providers |

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

**Operational performance of the school**

The school enjoyed another successful year with its educational programme. Of our 11 Year 6 leavers 7 gained scholarships or passed entrance examinations to Public, Independent or State Grammar Schools, including: Cheltenham Ladies College, Newport Girls High School, Stafford Grammar School, Ellesmere College, Wrekin College, Tettenhall College, Burton Borough School and The Grove School.

Children of all ages and abilities, including those with special educational needs, continued to thrive and make good progress. Visitors have regularly commented on the good behaviour, positive attitudes and enthusiasm, whilst also noticing the happy atmosphere.

The school is fully accredited as an independent school, with its membership of the Independent Schools Association (ISA) and the Independent Schools Council (ISC).

Highlights of the year included an excellent drama production of "Pirates of the Curry Bean" by Key Stage 2 pupils and a delightful Christmas performance by Key Stage 1 children of "There's Something Amazing Going On". The school again gained 1<sup>st</sup> place entries at the ISA Midlands Art competition, with several awards overall.

The children continue to do very well in a variety of sports, including netball, football, cricket, rounders, cross-country, chess, swimming, athletics, tennis and gymnastics. Highlights included the Boys U11 Gymnastics Squad being selected for the ISA 4 Piece National Champions 2016, Shropshire ISA 2 Piece Champions 2017 and achieving the Midlands ISA 2 Piece Silver Medallists position 2017. The Girls U9 Gym Squad achieved the ISA 4 Piece National Championship Bronze Medallists position 2016 and the Midlands ISA 2 Piece Bronze Medallists position 2017. Further sporting achievements include gaining 5<sup>th</sup> place overall and 3<sup>rd</sup> in the girls medley relay in the Telford and Wrekin Schools Swimming Gala and individually: one 1<sup>st</sup> place, two 3<sup>rd</sup> places, one 5<sup>th</sup> and one 6<sup>th</sup> place with a pupil selected to represent Telford and Wrekin in the County Championships. The School finished 3<sup>rd</sup> overall in the ISA Midlands U11 Tag Rugby Tournament and 4<sup>th</sup> overall in the ISA Midlands U11 High 5 Netball Tournament.

Music and drama have featured highly with the school Choir being invited to perform at St. Nicholas Church for both the Remembrance Day Service and the Civic Carol Service. They received both written and verbal accolades. The Peripatetic pupils have also had a good year achieving good grades across the board and excellent grades have again been achieved in LAMDA, with some pupils achieving dual awards.

Charity events were held successfully throughout the year. Pupils themselves raised funds for a number of local charities. A busy parents' association, the PLA, provided many social events for both children and adults. They have had a wonderful year with their fund-raising, with proceeds going to charity and the School.

CHerubS Nursery started well in September and continued to grow throughout the year, providing a happy and caring environment for the youngest children. The school also provides in term-time convenient, wrap-around day care between 8:00am and 6:00pm. During the school year, there has been a small, but steady flow of recruitment, with many of the new parents commenting with delight on the start made by their children, but also a small outflow through relocations, leaving school numbers steady through the year.

**Public benefit**

The public benefits provided during the year by the School include:

The School educated 86 children, thereby relieving pressure on local state schools and with no claim on the state for the subsidy provided for each place at a maintained school.

The provision of excellent care in the school holidays at the School, accessible to pupils from other schools in addition to the school's own pupils. This service is priced competitively and is in line with fees charged by other schools in the area.



**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

The provision of financial support, in the form of means-tested bursaries with a total value of £71,973, representing 10.43% of the School's gross fee income (8.85% of the School's total income) to enable eighteen pupils, who would not otherwise have been able to attend or remain at the School, to benefit from the first-class education provided.

The provision of high quality nursery education, including the free places funded by early years grants and open to all appropriately-aged children. Our nursery service is priced competitively and is in line with fees charged by other nurseries in the area.

Active participation in the area early years education partnership and providers' forum.

Sibling discounts for families with more than one child at the school.

The school provided work experience placements for students from local senior schools and from further education colleges.

Maintenance of a grade two listed building in a conservation area at no cost to the public.

Provision of job opportunities for the local community.

The provision of facilities for pupils of other schools to have their music tuition lessons at the school with peripatetic music teachers.

We have referred to the revised guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

## **FINANCIAL REVIEW**

The school's operating deficit of £123,802 is the result of a significant reduction in pupil numbers combined with increased teaching costs to cover long-term staff sickness. This has been an exceptional year with one off costs which will not be repeated in future years.

Note 2 to the Financial Statements analyses sources of income. The primary source is fees from parents for education with some ancillary income from uniform and music. These support either directly or indirectly the school's charitable purposes.

The Governors view our bursary awards as important in widening access to the education our School provides. The Governors are currently reviewing our Bursary Awards policies to ensure that children can continue to accept offers of places at our School through the availability of means-tested fee assistance.

As a charity the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. As a charity we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay tax as an employer through the national insurance contributions we make.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Government.

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

**Investment powers and policy**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the Governors wish.

The charity has to date invested any surplus funds in improving the school and its facilities. It is envisaged that this policy will continue into the future. Where there may be excess funds, these are held in bank accounts and not invested elsewhere.

**Reserves policy**

Reserves at the year-end amounted to £418,941 which includes £412,216 of unrestricted funds, £739 of restricted funds and £5,986 of designated funds. Restricted funds relate to part of a legacy which remains unspent and designated funds relate to school clubs and school trips.

The purpose of the school's reserves policy is to ensure the stability of the School and its ongoing operations and to provide a source of internal funds for the School's priorities which may include development and guarding against the unpredictable.

The Balance Sheet shows the assets and liabilities of the School, attributable to the various funds. It is apparent that the school building itself services the assets of the charity and needs to be preserved as it is the asset used to achieve the charity's objectives.

The general fund of the charity is more than serviced by the fixed assets, and is not freely available for distribution. It is felt therefore that the policy of the trust is to continue to build up reserves to a level which would allow the school to operate efficiently from its cash balances. This involves making plans to achieve a surplus in the future, through a combination of maintaining pupil numbers and controlling expenditure.

**Plans for future periods**

The Governors are committed to continuing the expansion of school facilities, particularly in ICT and the replacement of the Nursery building, in order to maintain the growth in pupil numbers. To that end, the CHerubS nursery will continue to be promoted and the expansion in numbers of children attending as a consequence, facilitated. New Governors are being voted on to the Governing body in order to maintain the current levels of enthusiasm and morale amongst staff and Governors, and the school will continue to develop its provision of holiday care for its own pupils and children from the wider community.

The last financial year has been extremely challenging. The School seeks to stabilise under a new Head Teacher with a view to the continued betterment of educational provision for all pupils. The help of parent and other volunteers is most appreciated.

**Going concern**

The major part of the School's income is provided by parental fees (necessarily termly, thrice-yearly contributions). Costs however are more fixed and even. Where there is a temporary gap between costs and income, the School's bank provides overdraft facilities as a temporary measure. This usually occurs at the end of Autumn term and the end of the school year in August.

In the past, support has also been provided by a loan from a Governor. Other Governors have also indicated that they would be willing to offer financial support to the School in the future, if required.

The Governors, having considered the above and made enquiries, continue to adopt the going concern basis in preparing the financial statements which assumes that the School will continue in operation for the foreseeable future. To bolster working capital, the Governors have secured new overdraft facilities with the bank and this is reviewed on an ongoing basis.

**CASTLE HOUSE SCHOOL TRUST LIMITED**  
**COMPANY NUMBER - 1515144**

**REPORT OF THE GOVERNORS (continued)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors, who are also directors of Castle House School Trust Limited for the purposes of company law, are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the Castle House School Governors as the trustees of the charity to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the Governors are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Castle House School Governors are responsible for keeping adequate accounting records that 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.

In so far as the Governors are aware at the time of approving the Annual Report:


- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- The Governors, having made enquiries of fellow Governors and the auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a Governor in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITORS**

The auditors, Howards Chartered Certified Accountants, will be proposed for reappointment at the forthcoming Annual General Meeting.

This report has been prepared taking advantage of the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on ... 08/08/2018 ... and signed on its behalf by:

  
.....  
Mrs C Gibbs, Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

**CASTLE HOUSE SCHOOL TRUST LIMITED**

**FOR THE YEAR ENDED 30 AUGUST 2017**

**OPINION**

We have audited the financial statements of Castle House School Trust Limited for the year ended 30 August 2017 which comprise the Statement of Financial Activities, the Summary of Income and Expenditure Account, the Balance Sheet and the related notes, set out on pages 12 to 22. These financial statements have been prepared under the accounting policies set out on page 15.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information in the Report of the Governors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF****CASTLE HOUSE SCHOOL TRUST LIMITED****FOR THE YEAR ENDED 30 AUGUST 2017****MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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;
- The financial statements are not in agreement with the accounting records or 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small company's exemption in preparing the Report of the Governors.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

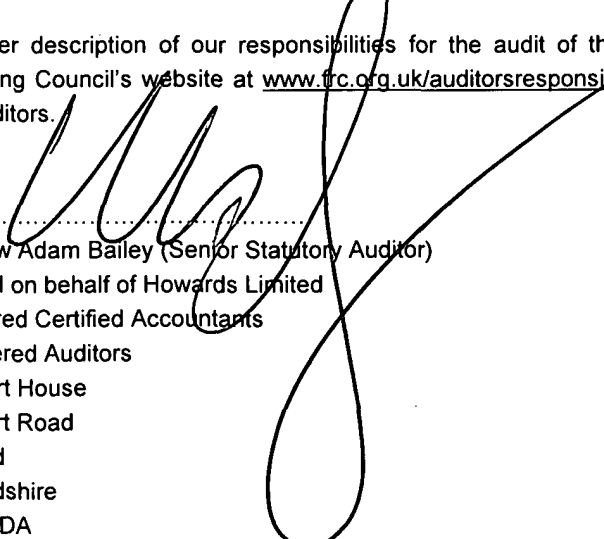
As explained more fully in the Statement of Governors' Responsibilities on page 8, the Governors, who are also trustees and directors of Castle House School Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



.....  
 Matthew Adam Bailey (Senior Statutory Auditor)  
 For and on behalf of Howards Limited  
 Chartered Certified Accountants  
 Registered Auditors  
 Newport House  
 Newport Road  
 Stafford  
 Staffordshire  
 ST16 1DA

Date: 08/08/2018

**CASTLE HOUSE SCHOOL TRUST LIMITED****STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 30 AUGUST 2017**

|   | Notes    | 2017                    |                        |                   |                         | 2016                   |                      |                   |                       |
|---|----------|-------------------------|------------------------|-------------------|-------------------------|------------------------|----------------------|-------------------|-----------------------|
|   |          | General                 | Designated             | Restricted        | Total                   | General                | Designated           | Restricted        | Total                 |
|   |          | Funds                   | Funds                  | Funds             |                         | Funds                  | Funds                | Funds             |                       |
|   |          | £                       | £                      | £                 | £                       | £                      |                      |                   | £                     |
| <b><u>INCOME AND ENDOWMENTS FROM:</u></b>     |          |                         |                        |                   |                         |                        |                      |                   |                       |
| Donations and legacies                        |          | -                       | -                      | -                 | -                       | -                      | -                    | -                 | -                     |
| Charitable activities                         | 2        | 795,779                 | 5,710                  | -                 | 801,489                 | 746,554                | 21,784               | -                 | 768,338               |
| Other trading activities                      | 2        | 10,943                  | -                      | -                 | 10,943                  | 11,605                 | -                    | -                 | 11,605                |
| Investment income                             | 2        | 85                      | 19                     | -                 | 104                     | 1,516                  | 29                   | -                 | 1,545                 |
| Other income                                  |          | 650                     | -                      | -                 | 650                     | 1,060                  | -                    | -                 | 1,060                 |
| <b><u>TOTAL INCOME AND ENDOWMENTS</u></b>     |          | <b><u>807,457</u></b>   | <b><u>5,729</u></b>    | <b><u>-</u></b>   | <b><u>813,186</u></b>   | <b><u>760,735</u></b>  | <b><u>21,813</u></b> | <b><u>-</u></b>   | <b><u>782,548</u></b> |
| <b><u>EXPENDITURE:</u></b>                    |          |                         |                        |                   |                         |                        |                      |                   |                       |
| Raising funds                                 | 3        | 4,531                   | -                      | -                 | 4,531                   | 4,906                  | -                    | -                 | 4,906                 |
| Charitable activities                         | 3        | 927,069                 | 5,388                  | -                 | 932,457                 | 769,741                | 12,201               | -                 | 781,942               |
| <b><u>TOTAL EXPENDITURE</u></b>               | <b>3</b> | <b><u>931,600</u></b>   | <b><u>5,388</u></b>    | <b><u>-</u></b>   | <b><u>936,988</u></b>   | <b><u>774,647</u></b>  | <b><u>12,201</u></b> | <b><u>-</u></b>   | <b><u>786,848</u></b> |
| <b><u>NET INCOME / (EXPENDITURE)</u></b>      |          | <b><u>(124,143)</u></b> | <b><u>341</u></b>      | <b><u>-</u></b>   | <b><u>(123,802)</u></b> | <b><u>(13,912)</u></b> | <b><u>9,612</u></b>  | <b><u>-</u></b>   | <b><u>(4,300)</u></b> |
| Transfers between funds                       |          | 12,740                  | (12,740)               | -                 | -                       | 701                    | (701)                | -                 | -                     |
| Assets purchased                              |          | 14,954                  | (14,954)               | -                 | -                       | 4,719                  | (4,719)              | -                 | -                     |
| Gains/(losses) on investment assets           |          | -                       | -                      | -                 | -                       | -                      | -                    | -                 | -                     |
| Gains/(losses) on revaluation of fixed assets |          | -                       | -                      | -                 | -                       | -                      | -                    | -                 | -                     |
| <b><u>NET MOVEMENT IN FUNDS</u></b>           |          | <b><u>(96,449)</u></b>  | <b><u>(27,353)</u></b> | <b><u>-</u></b>   | <b><u>(123,802)</u></b> | <b><u>(8,492)</u></b>  | <b><u>4,192</u></b>  | <b><u>-</u></b>   | <b><u>(4,300)</u></b> |
| <b><u>FUND BALANCES BROUGHT FORWARD</u></b>   |          | <b><u>508,665</u></b>   | <b><u>33,339</u></b>   | <b><u>739</u></b> | <b><u>542,743</u></b>   | <b><u>517,157</u></b>  | <b><u>29,147</u></b> | <b><u>739</u></b> | <b><u>547,043</u></b> |
| <b><u>FUND BALANCES CARRIED FORWARD</u></b>   |          | <b><u>412,216</u></b>   | <b><u>5,986</u></b>    | <b><u>739</u></b> | <b><u>418,941</u></b>   | <b><u>508,665</u></b>  | <b><u>33,339</u></b> | <b><u>739</u></b> | <b><u>542,743</u></b> |

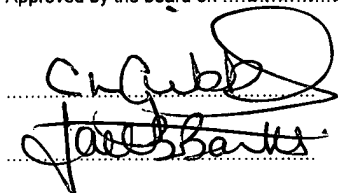
The notes on pages 15 to 22 form part of these accounts.

**CASTLE HOUSE SCHOOL TRUST LIMITED****COMPANY NUMBER - 1515144****BALANCE SHEET****FOR THE YEAR ENDED 30 AUGUST 2017**

|   |       | 2017               |                       |                       |            | 2016               |                       |                       |            |
|---|-------|--------------------|-----------------------|-----------------------|------------|--------------------|-----------------------|-----------------------|------------|
|   | Notes | General Funds<br>£ | Designated Funds<br>£ | Restricted Funds<br>£ | Total<br>£ | General Funds<br>£ | Designated Funds<br>£ | Restricted Funds<br>£ | Total<br>£ |
| <b><u>FIXED ASSETS</u></b>                          |       |                    |                       |                       |            |                    |                       |                       |            |
| Tangible assets                                     | 8     | 730,129            | -                     | -                     | 730,129    | 711,160            | -                     | -                     | 711,160    |
| <b><u>CURRENT ASSETS</u></b>                        |       |                    |                       |                       |            |                    |                       |                       |            |
| Stock   | 12    | 9,133              | -                     | -                     | 9,133      | 6,219              | -                     | -                     | 6,219      |
| Debtors   | 13    | 18,303             | -                     | -                     | 18,303     | 7,811              | -                     | -                     | 7,811      |
| Cash at bank  |       | 18,321             | 5,986                 | 739                   | 25,046     | 84,753             | 33,339                | 739                   | 118,831    |
|   |       | 45,757             | 5,986                 | 739                   | 52,482     | 98,783             | 33,339                | 739                   | 132,861    |
| <b><u>CREDITORS</u></b>                             |       |                    |                       |                       |            |                    |                       |                       |            |
| Amounts falling due within one year                 | 14    | (161,461)          | -                     | -                     | (161,461)  | (239,788)          | -                     | -                     | (239,788)  |
| <b><u>NET CURRENT ASSETS</u></b>                    |       | (115,704)          | 5,986                 | 739                   | (108,979)  | (141,005)          | 33,339                | 739                   | (106,927)  |
| <b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b> |       | 614,425            | 5,986                 | 739                   | 621,150    | 570,155            | 33,339                | 739                   | 604,233    |
| <b><u>CREDITORS</u></b>                             |       |                    |                       |                       |            |                    |                       |                       |            |
| Amounts falling due after more than one year        | 14    | (202,209)          | -                     | -                     | (202,209)  | (61,490)           | -                     | -                     | (61,490)   |
| <b><u>NET ASSETS</u></b>                            |       | 412,216            | 5,986                 | 739                   | 418,941    | 508,665            | 33,339                | 739                   | 542,743    |
| <b><u>REPRESENTED BY</u></b>                        |       |                    |                       |                       |            |                    |                       |                       |            |
| Funds   | 16    |                    |                       |                       |            |                    |                       |                       |            |
| General funds                                       |       | 410,091            | -                     | -                     | 410,091    | 500,978            | -                     | -                     | 500,978    |
| Parents' Liaison Association                        |       | 2,125              | -                     | -                     | 2,125      | 7,687              | -                     | -                     | 7,687      |
| Designated funds                                    |       |                    |                       |                       |            |                    |                       |                       |            |
| PLA specific donations fund                         |       | -                  | -                     | -                     | -          | -                  | 852                   | -                     | 852        |
| Gym club fund                                       |       | -                  | -                     | -                     | -          | -                  | 100                   | -                     | 100        |
| Other clubs funds                                   |       | -                  | -                     | -                     | -          | -                  | 1,194                 | -                     | 1,194      |
| School trips fund                                   |       | -                  | 3,462                 | -                     | 3,462      | -                  | 2,481                 | -                     | 2,481      |
| Development fund                                    |       | -                  | 2,524                 | -                     | 2,524      | -                  | 28,712                | -                     | 28,712     |
| Restricted funds                                    |       |                    |                       |                       |            |                    |                       |                       |            |
| Legacy fund   |       | -                  | -                     | 739                   | 739        | -                  | -                     | 739                   | 739        |
|   |       | 412,216            | 5,986                 | 739                   | 418,941    | 508,665            | 33,339                | 739                   | 542,743    |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 08/08/18 and signed on its behalf by:-



Mrs C Gibbs )  
Governors  
Mrs J Bailey Banks )

The notes on pages 15 to 22 form part of these accounts.

**CASTLE HOUSE SCHOOL TRUST LIMITED****COMPANY NUMBER - 1515144****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 AUGUST 2017**

|   | Note | Total<br>Funds<br>2017 | Total<br>Funds<br>2016 |
|---|------|------------------------|------------------------|
| Net cash from operating activities              | 20   | <u>(126,869)</u>       | <u>50,031</u>          |
| Cash flows from investing activities            |      |                        |                        |
| Interest and dividends                          |      | 104                    | 1,545                  |
| Capital expenditure                             |      | (28,534)               | (173,663)              |
| Net cash from investing activities              |      | <u>(28,430)</u>        | <u>(172,118)</u>       |
| Cash flows from financing activities            |      |                        |                        |
| Loan advances                                   |      | 162,400                | 88,225                 |
| Loan repayments                                 |      | (100,886)              | (5,988)                |
| Net cash from financing activities              |      | <u>61,514</u>          | <u>82,237</u>          |
| Change in cash and cash equivalents in the year |      | <u>(93,785)</u>        | <u>(39,850)</u>        |
| Cash and cash equivalents brought forward       |      | 118,831                | 158,681                |
| Cash and cash equivalents carried forward       |      | <u>25,046</u>          | <u>118,831</u>         |



**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Castle House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

In preparing the accounts the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. At the date of transition (1 September 2015) there are no adjustments required as a result of the transition to FRS 102.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation 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 basis:-

|                        |                      |
|------------------------|----------------------|
| Fixtures and equipment | 25% reducing balance |
| Freehold buildings     | 2% straight line     |

Freehold property is maintained in a good state of repair so that its estimated residual value is not less than its cost. The depreciable amount is therefore taken to be £Nil.

**Expenditure**

All expenditure is accounted for gross, and when incurred. Those expenses which are attributable to two or more expense headings are apportioned between those headings on an appropriate basis. Donations made are included in the year in which they are paid. Support costs being costs which assist the work of the charity but do not directly undertake charitable activities, have been allocated to specific activities where applicable and the basis is detailed in note 4.

**Income and donations**

Donations and bequests are accounted for when received by the trust company. Donations receivable for the general purposes of the school are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Other income is accounted for on an accruals basis as far as it is prudent to do so.

**Pension contributions**

The trust company contributes to the Teachers' Pension Scheme and a workplace pension scheme for non-teachers. The Teachers' Pension Scheme is a multi-employer defined benefits scheme. It is not possible to identify the assets and liabilities attributable to the School so it is accounted for as a defined contribution scheme in accordance with FRS 102. The workplace pension scheme is a defined contribution scheme and contributions payable are charged in the income and expenditure account.

**Stock**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a FIFO basis.

**Funds structure**

Designated funds, as determined by the Trustees, relate to activities from school trips and money set aside for the development of the school premises. The restricted fund relates to a legacy left to the school to be used to purchase gymnastics and music equipment.

**Operating leases**

Rentals payable under operating leases are charged in the income and expenditure account on a straight-line basis over the lease term.

**Grants**

Grants are credited to the Statement of Financial Activities in the year in which they are received unless it is specified that they are for a future accounting period, in which case they are included on the Balance Sheet as deferred income to be recognised in those future accounting periods. Grants received for specific purposes are accounted for as restricted funds in the Statement of Financial Activities.

**Going concern**

The accounts have been prepared on the going concern basis which assumes continued support from the company's bankers. This is explained in more detail on page 8 of the Report of the Governors.

**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****2. ANALYSIS OF INCOME**

|  | <b>2017</b>       | <b>2016</b>      |
|--|-------------------|------------------|
|  | <b>£</b>          | <b>£</b>         |
| <b>Income from charitable activities</b>         |                   |                  |
| Gross school fees receivable (including lunches) | 689,822           | 644,648          |
| Less bursaries awarded                           | <u>(71,973)</u>   | <u>(53,728)</u>  |
|  | 617,849           | 590,920          |
| Nursery fees receivable                          | 137,682           | 97,423           |
| Music and dance lessons                          | 17,197            | 19,954           |
| Uniform sales                                    | 9,048             | 10,436           |
| Other fees receivable                            | <u>19,713</u>     | <u>49,605</u>    |
|  | <u>801,489</u>    | <u>768,338</u>   |
| <br>Bursaries paid as a % of gross school fees   | <br><u>10.43%</u> | <br><u>8.33%</u> |

Included within income from charitable activities are the following government grants:

|                     |               |               |
|---------------------|---------------|---------------|
| Early years funding | <u>37,803</u> | <u>56,374</u> |
|---------------------|---------------|---------------|

|   | <b>2017</b>   | <b>2016</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| <b>Income from other trading activities</b> |               |               |
| PLA fundraising                             | <u>10,943</u> | <u>11,605</u> |
|   | <u>10,943</u> | <u>11,605</u> |

|                          | <b>2017</b> | <b>2016</b>  |
|--------------------------|-------------|--------------|
|                          | <b>£</b>    | <b>£</b>     |
| <b>Investment income</b> |             |              |
| Bank interest            | <u>104</u>  | <u>1,545</u> |
|                          | <u>104</u>  | <u>1,545</u> |

**3. ANALYSIS OF EXPENDITURE**

|                          | <b>2017</b>  | <b>2016</b>  |
|--------------------------|--------------|--------------|
|                          | <b>£</b>     | <b>£</b>     |
| <b>Raising funds</b>     |              |              |
| PLA fundraising expenses | <u>4,531</u> | <u>4,906</u> |
|                          | <u>4,531</u> | <u>4,906</u> |

| Charitable activities | Activities<br>undertaken<br>directly<br>£ | Grant<br>funding<br>£ | Support and<br>governance<br>costs<br>£ | 2017<br>Total<br>£ | 2016<br>Total<br>£ |
|-----------------------|---|-----------------------|---|--------------------|--------------------|
| Education             | <u>753,305</u>                            | <u>-</u>              | <u>179,152</u>                          | <u>932,457</u>     | <u>781,942</u>     |
|                       | <u>753,305</u>                            | <u>-</u>              | <u>179,152</u>                          | <u>932,457</u>     | <u>781,942</u>     |

**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****4. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS**

The breakdown of support costs and how these were allocated between governance and other support costs is shown below

| Cost type                               | Total<br>Allocated<br>£ | Governance<br>related<br>£ | Other<br>support<br>costs<br>£ |
|---|-------------------------|----------------------------|--------------------------------|
| Administration salaries (including NIC) | 102,205                 | 10,221                     | 91,985                         |
| Employees pension scheme                | 638                     | 64                         | 574                            |
| Sundry expenses                         | 2,290                   | 229                        | 2,061                          |
| ICT management                          | 19,360                  | 1,936                      | 17,424                         |
| Licences and subscriptions              | 9,079                   | 908                        | 8,171                          |
| Bank loan interest                      | 4,820                   | -                          | 4,820                          |
| Bank charges                            | 2,430                   | -                          | 2,430                          |
| Bad debts                               | 17,255                  | -                          | 17,255                         |
| Depreciation                            | 9,565                   | -                          | 9,565                          |
|   | <u>167,642</u>          | <u>13,357</u>              | <u>154,285</u>                 |

Allocation is based on an estimated split of 90:10 between support costs and governance expenses.

| Governance costs              | 2017<br>£     | 2016<br>£     |
|-------------------------------|---------------|---------------|
| Governors' expenses           | 219           | 750           |
| Governors' training           | 72            | 385           |
| Audit and accountancy charges | 7,938         | 6,792         |
| Legal and professional fees   | 3,281         | 112           |
| Support costs                 | <u>13,357</u> | <u>10,602</u> |
|                               | <u>24,867</u> | <u>18,641</u> |

**5. NET INCOME/EXPENDITURE**

Net income/expenditure for the year is stated after charging:

|   | 2017<br>£    | 2016<br>£    |
|---|--------------|--------------|
| Auditors' remuneration - audit services     | 5,438        | 5,290        |
| Auditors' remuneration - non-audit services | 2,500        | 1,502        |
| Depreciation                                | 9,565        | 4,023        |
| Operating lease rentals                     | <u>5,558</u> | <u>2,161</u> |

**6. RELATED PARTY TRANSACTIONS**

None of the governors or connected persons received any remuneration during the year, nor did they have any financial interests in the company's activities.

|   | 2017<br>£  | 2016<br>£  |
|---|------------|------------|
| Number of governors to whom retirement benefits are accruing:     |            |            |
| In defined benefit pension scheme                                 | <u>-</u>   | <u>-</u>   |
| Expenses reimbursed to governors during the year were as follows: |            |            |
| Travel expenses   | <u>219</u> | <u>401</u> |
|   | <u>219</u> | <u>401</u> |
| Number of governors who received expenses                         | <u>3</u>   | <u>5</u>   |

**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****6. RELATED PARTY TRANSACTIONS CONTINUED**

During the previous year Mrs F M Williams, who is one of the governors, provided the School with an interest free short-term loan. The loan has been repaid in full in the current year.

|   | 2017<br>£ | 2016<br>£ |
|---|-----------|-----------|
| At the year end the balance outstanding was as follows: |           |           |
| Loans from governors                                    | -         | 88,225    |
|   | -         | 88,225    |

**7. TAXATION STATUS**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

**8. TANGIBLE FIXED ASSETS**

|                        | Freehold<br>land and<br>buildings<br>£ | Fixtures<br>and<br>equipment<br>£ | Total<br>£ |
|------------------------|--|-----------------------------------|------------|
| <b>Cost</b>            |  |                                   |            |
| At 1 September 2016    | 700,820                                | 84,499                            | 785,319    |
| Additions              | 640                                    | 27,894                            | 28,534     |
| Disposals              | -                                      | -                                 | -          |
| Impairment write down  | -                                      | -                                 | -          |
| At 30 August 2017      | 701,460                                | 112,393                           | 813,853    |
| <b>Depreciation</b>    |  |                                   |            |
| At 1 September 2016    | -                                      | 74,159                            | 74,159     |
| Charge for the year    | -                                      | 9,565                             | 9,565      |
| Eliminated on disposal | -                                      | -                                 | -          |
| Impairment write down  | -                                      | -                                 | -          |
| At 30 August 2017      | -                                      | 83,724                            | 83,724     |
| <b>Net book value</b>  |  |                                   |            |
| At 31 August 2016      | 700,820                                | 10,340                            | 711,160    |
| At 30 August 2017      | 701,460                                | 28,669                            | 730,129    |

The property was valued by Pinders, professional valuers, on 8 September 2017. With vacant possession the property was valued at £850,000 reducing to £675,000 in the hypothetical event of a forced sale.

**9. OPERATING LEASE COMMITMENTS**

At the 30 August 2017 the trust company had total lease commitments outstanding under non-cancellable operating leases which expire as follows:

|                                  | 2017<br>£ | 2016<br>£ |
|----------------------------------|-----------|-----------|
| Fixtures and equipment           |           |           |
| - expiring within one year       | 2,113     | -         |
| - expiring between 2 and 5 years | 19,587    | 4,223     |
| - expiring over 5 years          | -         | -         |
|                                  | 21,700    | 4,223     |

None of the operating lease commitments relate to land and buildings.

**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****10. PENSION CONTRIBUTIONS**

|                                   | 2017<br>£    | 2016<br>£ |
|-----------------------------------|--------------|-----------|
| <b>Teachers Pension Scheme</b>    |              |           |
| Contributions payable in the year | 52,457       | 46,005    |
| Amounts payable at the year end   | <u>5,601</u> | <u>-</u>  |

The school participates in a multi employer defined benefits scheme, the Teachers' Pension Scheme (TPS), for its teaching staff. As a result it is not possible to identify the assets and liabilities of the scheme which are attributable to the charity.

The TPS is an unfunded, contributory, public service occupational pension scheme, governed by statutory regulations. The current regulations are the Teachers' Pensions (Amendment) Regulations 2012.

Contributions to the TPS are assessed not less than every 5 years by the Government Actuary. Contributions are paid by the school at the rate specified by the Government Actuary. The school's contribution is 16.48% of pensionable salaries and the employees rate of contribution is tiered as below:

|                           | 2017/18 | 2016/17 |
|---------------------------|---------|---------|
| Salary upto £25,999       | 7.4%    | 7.4%    |
| Salary £26,000 to £26,259 | 7.4%    | 8.6%    |
| Salary £26,260 to £34,999 | 8.6%    | 8.6%    |
| Salary £35,000 to £35,349 | 8.6%    | 9.6%    |
| Salary £35,350 to £41,499 | 9.6%    | 9.6%    |
| Salary £41,500 to £41,914 | 9.6%    | 10.2%   |
| Salary £41,915 to £54,999 | 10.2%   | 10.2%   |
| Salary £55,000 to £55,549 | 10.2%   | 11.3%   |
| Salary £55,550 to £74,999 | 11.3%   | 11.3%   |
| Salary £75,000 to £75,749 | 11.3%   | 11.7%   |
| Salary £75,750 and above  | 11.7%   | 11.7%   |

|                                   | 2017<br>£  | 2016<br>£  |
|-----------------------------------|------------|------------|
| <b>Workplace Pension Scheme</b>   |            |            |
| Contributions payable in the year | 1,279      | 724        |
| Amounts payable at the year end   | <u>561</u> | <u>153</u> |

The school participates in a workplace pension scheme for those employees who do not qualify to join the Teachers Pension Scheme. The scheme is a defined contribution scheme and both the school's contribution and the employee's contribution is 1% of pensionable salaries.

**11. EMPLOYEE NUMBERS AND COSTS**

| The number of staff employed by the charity for the year was: | 2017      | 2016      |
|---|-----------|-----------|
| Administration  | 3         | 3         |
| Teaching  | 16        | 15        |
| Nursery and Care  | 9         | 8         |
| Ancillaries   | <u>5</u>  | <u>5</u>  |
|   | <u>33</u> | <u>31</u> |

| The aggregate amounts paid in respect of: | £              | £              |
|---|----------------|----------------|
| Wages and salaries                        | 587,990        | 521,780        |
| Social security costs                     | 41,995         | 31,088         |
| Pension costs                             | 53,736         | 46,729         |
| Redundancy payments                       | <u>-</u>       | <u>-</u>       |
|   | <u>683,721</u> | <u>599,597</u> |

**CASTLE HOUSE SCHOOL TRUST LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 AUGUST 2017****16. FUNDS CONTINUED**

The PLA specific donations fund represents money donated to the school from the PLA for specific purposes. This is held in the school current account and is split as follows:

|                               | Total<br>£ | Computer<br>Software fund<br>£ |
|-------------------------------|------------|--------------------------------|
| Opening value of funds        | 852        | 852                            |
| Income                        | -          | -                              |
| Indirect expenditure          | -          | -                              |
| Charitable expenditure        | -          | -                              |
| Assets purchased              | -          | -                              |
| Transfer to/from general fund | (852)      | (852)                          |
| Closing value of funds        | -          | -                              |

**17. CAPITAL COMMITMENTS**

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| At 30 August 2017 there were capital commitments for which contracts have been placed amounting to | -         | -         |
| and amounts authorised by the Governors but not contracted for of                                  | -         | -         |

**18. LIABILITY OF MEMBERS**

The trust company is limited by guarantee and does not have a share capital. Each member of the trust company has undertaken to contribute to the assets of the trust company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the trust company contracted before he ceases to be a member, and of the rights of the contributions amongst themselves, such amount as may be required not exceeding £1.

**19. CONTROLLING PARTY**

The School is under the control of the Board of Governors.

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

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| Net movement in funds                                | (123,802) | (4,300)   |
| Add back depreciation                                | 9,565     | 4,023     |
| Add back fixed asset impairment write down           | -         | 240       |
| Add back profit/loss on disposal of fixed assets     | -         | 1,463     |
| Add back provisions                                  | 29,778    | -         |
| Deduct interest income shown in investing activities | (104)     | (1,545)   |
| Decrease/(increase) in stock                         | (2,914)   | 2,608     |
| Decrease/(increase) in debtors                       | (10,492)  | 1,183     |
| Increase/(decrease) in creditors                     | (28,900)  | 46,359    |
| Net cash from operating activities                   | (126,869) | 50,031    |