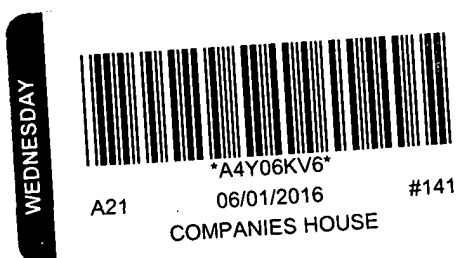


CASTLE ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



CASTLE ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members (and Trustees)	N Hoyland, Chair of Governors ^{1,2,3,4} F Hatley, Vice Chair of Governors ^{1,4} N Mead ^{2,3,4}
Trustees	L Clemitshaw L Tankard (resigned 1 January 2015) ^{1,2} A Johnson (resigned 1 February 2015) D Toseland (resigned 1 February 2015) ² S White (resigned 1 February 2015) ² S Martin, Head Teacher ^{1,2,3} L White, Staff Trustee J Ward, Staff Trustee ^{2,3} M Jones, Staff Trustee ¹ S Abbotts ² C Wosman ^{1,3}
	 1 Member of the Finance and Facilities Committee 2 Member of the Teaching and Learning Committee 3 Member of the Human Resource Committee 4 Member of the Headteacher's Performance Management Review and Pay Committee
Company registered number	8143349
Registered office	Station Road Conisbrough Doncaster DN12 3DB
Accounting Officer	S Martin
Senior management team	S Martin, Head teacher J Ward, Deputy Head teacher C Harrop, KS1 Manager C Blagden, SEN Co-ordinator M Jones, Business Manager
Independent auditors	Harris & Co Limited Chartered Accountants Registered Auditors Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW
Bankers	Lloyds TSB Doncaster DN1
Solicitors	Walker Morris Kings Court 12 King Street Leeds LS1 2HL

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Responsible Officer	Financial & Management Consultants 12 Church Green Sprotborough Doncaster DN5 7JT
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CASTLE ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report, together with the financial statements and auditors' report of the Academy Trust for the period 1st September 2014 to 31st August 2015. The Academy Trust is known as Castle Academy. The annual report serves the purposes of both a Trustees report and directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust was incorporated on 13th July 2012 as a company limited by guarantee. The academy trust's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the activities of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law.

Details of the Governors who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Academy Trust undertakes to contribute to the assets of the academy trust in the event of it being wound up whilst 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.

Governors' Indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 14 to the financial statements.

Principal Activities

The Academy Trust took over the operation of Station Road Primary School on the school's conversion to academy status on 13th July 2012. The Academy commenced operations as Castle Academy from 1st September 2012. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 4 and 11.

Method of Recruitment and Appointment or Election of Governors.

Under the terms of its Articles, the Academy Trust shall have the following Governors.

- Up to eight Governors appointed by the Members;
- Any staff Governors, appointed through such process as the Members may determine, provided the total number does not exceed one third of the total number of Governors;
- A minimum of four Parent Governors elected by parents of registered pupils at Castle Academy;
- Up to three Co-opted Governors may be appointed by the Governors who have not themselves been co-opted; and
- The Head teacher;

A Governor's term of office is four years (excluding the Headteacher) but a Governor is eligible for re-election or re-appointment at the end of their term.

Appropriate training is provided to all new Governors, as required.

The Governors who were in office at during the year, or who served through part of the year, are listed on page 1.

CASTLE ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Policies and Procedures Adopted for the Induction and Training of Governors

Following their appointment all new Governors receive an introduction to their role from the Chair and the Headteacher, an induction pack and are allocated a mentor from the Governing Body. All new Governors are actively encouraged to take advantage of the Governor Forum sessions held at various venues and run by the Local Authority's Governor Support Service. In addition Governors have access to the National Governors' Association via their website.

Organisation Structure

The organisational structure consists of three levels: the Full Board of Governors, Governors' sub committees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in the decision making at all levels.

The Governors are responsible for the strategic management of the Academy Trust, making decisions about key aspects including strategic direction, annual budgets and targets, capital expenditure, senior staff appointments and policy changes. The full Governing Body retains overall responsibility.

The sub committees comprise the Chair or Vice Chair, Headteacher and at least two other governors. These committees make decisions relating to staffing appointments and budget spending. All decisions are referred back to the full board for ratification. The full board monitors budget spending.

The Senior Leadership Team comprises the Headteacher, Deputy Headteacher, KS1 Manager, SEN Co-ordinator and Business Manager. These managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets.

Risk Management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds and premises) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls.

Connected Organisations, Including Related Parties

There is a Parent Contribution Fund which organises various fundraising events to provide additional resources for the pupils. The Academy also works in Partnership with Upperwood Primary School, each school acting independently but supporting each other by the sharing of best practices.

Objectives and Activities

Objects and Aims

The principal object of the Academy Trust is the operation of Castle Academy to provide education for pupils between the ages of 4 and 11. With this overall object, our school aims are:

- To provide a welcoming and supportive family atmosphere, based upon mutual respect and tolerance, where self-esteem is nurtured and children are encouraged to offer and express their opinions and where their achievements are celebrated.
- To foster the moral and spiritual development of children through a sense of responsibility, co-operation, self-discipline, perseverance, a positive attitude to learning and concentration in all things.
- To provide a well-planned, broad and balanced curriculum ensuring continuity and progression using first hand experiences where possible in order to develop literate, numerate, caring thinkers and communicators.
- To ensure that every child has equality of opportunity and the support to enable each child to achieve her/his full potential, continually striving to raise attainment.
- To build an active partnership between all agencies involved in a child's education and well-being and encourage parental involvement at every level.

CASTLE ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- To provide a high quality learning environment and value for money.

Underlying these aims, the main objectives of the Academy Trust during the period ended 31st August 2015 are summarised below:

To continue to address the issues raised by the Ofsted Inspection by:

- Improving progress in all subjects especially:
 - o Key Stage 2
 - o Mathematics
 - o Grammar, punctuation and spelling
- Continue to raise standards in Mathematics across the classes to ensure that they are at the national average in Key Stage 2
- To implement the 2015 National Curriculum
- To implement a system of assessment, without levels

Public Benefit

Castle Academy is a state funded primary school which provides and strives to promote and support the advancement of education to primary school aged children within the wider Conisbrough area.

In setting our objectives and planning our activities the Governors have given careful consideration to the wider community. Over the year the contributions that benefitted the local community included the following:

- Participating in a memorial service at the local cenotaph;
- Maintaining links with the Dearne Valley Eco-vision;
- Training of volunteers to improve employment prospects;
- Taking part in sports competitions with local schools, based at the local leisure centre, to encourage healthy lifestyles, improve community cohesion by working with other schools and to promote the use of the local leisure centre;
- Providing a venue for local Brownie and Girl Guide groups;
- Providing work experience for students from local secondary schools.

Equal Opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution of needs of all people are fully valued.

Disabled Persons

The Academy publishes its equality policies and access plans in compliance with the Disability Act 2010. Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all areas of the Academy Trust building. The policy of the Academy Trust is to support recruitment and retention of pupils and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Achievements and Performance

Castle Academy has made significant improvements resulting in good progress since the inspection of 2014 and, based on our current self-evaluation, is now providing a good quality of education.

The last Ofsted inspection (April 2014) graded the school as Requires Improvement. Since that inspection, the school has received one monitoring visit from HMI (July 2014) and a visit from the DfE (September 2014). The school has made significant and sustained improvements in many aspects of its work and the current self-evaluation is that the school is now good. It has vigorously implemented its improvement plans over the past two years and key issues from the inspection have been addressed with urgency. Challenging targets and milestones have been used to measure the impact of actions. A comprehensive and timely self-evaluation of the school has enabled the leaders and governors to be proactive in addressing the current key issues and informing next steps. This has resulted in much improved outcomes in Key Stage 2 in 2015.

The school has seen a significant change in staffing in recent years and now has an effective, ambitious and more experienced team. Leaders and governors are now much stronger and able to hold staff to account in order to sustain improvements and secure the long term good quality of education that the children deserve.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Outcomes for pupils are no longer below floor targets in Key Stage 2 reading, writing and mathematics. Improvements in mathematics and English Punctuation, Grammar and Spelling (EGPS) are particularly strong. A new building houses the early years provision which greatly enhances the learning and provides an enabling environment. This has led to a continuing year-on-year improvement in EYFS outcomes. As a result of moving the early years provision, the spaces that are now available for intervention and support are much more suitable for delivering high quality learning opportunities.

The last inspection identified that parents wanted the academy to provide more emotional support for vulnerable pupils and their families. The appointment of a parent support advisor was acknowledged as being highly effective in the parental survey in 2015.

Significant enhancements have been made in the way judgements are externally validated, providing governors and leaders with clarity regarding performance and the impact of improvements. Collaboration between the academy and other schools has significantly increased and has been successful in ensuring accurate, moderated judgements and standards. In order to develop this further, and acting on the advice of the DfE, during the year the academy submitted an application to join the Enquire Learning Trust. Although the application was rejected by the Regional Schools Commissioner (RSC) after the year end, the academy will continue to explore options to join another multi academy trust, subject to approval by the RSC. This will enable the school to draw upon a wider range of expertise and experiences and develop sustained, high quality teaching and learning throughout the school.

Challenges

Over the past two years, the academy has faced difficulties in recruiting high quality teachers. Currently this challenge has been overcome and all teachers are permanently employed and all have a degree of experience. However, leaders and governors recognise the vulnerability and impact of this issue. As a standalone academy, this vulnerability is heightened. Governors have submitted a significant change business case to the Regional Schools Commissioner requesting that the academy be allowed to join a Multi Academy Trust. It is intended that leaders and governors will then be part of a network of schools and have wider access to succession planning and recruitment potential.

Another challenge faced by being a standalone academy is in securing effective partnerships for improvement and professional development. In conversation with the DfE, leaders were advised to consider whether the academy would benefit from more structured networks.

Going Concern

After due consideration, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

The Governors consider that the following are key performance indicators for the Academy Trust;

- Deliver a surplus at year end;
- Distribute expenditure evenly throughout the year;
- Actual expenditure to closely correlate with budgeted expenditure;
- Minimise expenditure through smarter procurement and Best Value;
- Generate additional income; and
- Reduce energy usage and costs.

The Governors have been pleased that expectations for most key performance indicators listed have been successfully met during the period. We comment on the deficit for the year in the financial review below.

Financial Review

The largest proportion of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA and associated expenditure for the

CASTLE ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

year-ended 31 August 2015 are shown as restricted funds in the Statement of Financial Activities.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned.

Before actuarial losses on the pension schemes, the Trust had net outgoing resources (ie a deficit, as expenditure exceeded income) for the period of £30,434 (2014: surplus £103,079 including capital grants of £101,279). However, this is stated after charging depreciation on fixed assets of £59,772 (2014: £56,044), which is a non-cash item. Excluding depreciation and actuarial losses, the Trust was in surplus by £29,338 (2014: £57,844 excluding capital grants). This reduced level of surplus for the year reflects the Trust's investment in additional staff so that pupil progress is accelerated. After actuarial losses of £23,000 (2014: actuarial surplus £62,000), the Trust was in deficit by £53,434 for the year (£6,338 surplus before depreciation) (2014: £119,844 surplus before depreciation and capital grants).

At 31 August 2015 the net book value of fixed assets was £1,434,127 (2014: £1,470,639). Movements in tangible fixed assets are shown in Note 16 to the financial statements. The assets are used primarily for providing the academy's educational operations and associated support service to the students of the Trust.

Financial and Risk Management Objectives and Policies

The Academy Trust uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Academy Trust's operations.

Principal Risks and Uncertainties

The main risks that the Academy Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans:

Strategic and Reputational – This covers unfavourable Ofsted reports; risk of uncontrollable events; insufficient demand for Academy services; competition from other schools with similar objects and little scope for differentiation; and the capacity of existing buildings to deliver teaching and learning to pupils.

Finance Risk – The risk of the Academy Trust not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are risks also in connection with the deficit on the Local Government Pension Scheme ("LGPS") although the Governors are comfortable with the current level of employer contributions the Academy Trust is required to pay.

Liquidity risk – The trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

Interest rate risk – The trust earns interest on cash deposits and with interest rates currently low, the Governors will take appropriate action to ensure they maximise the income from these deposits.

Credit risk - This is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Reserves Policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Financial Position

The Academy Trust held fund balances at 31st August 2015 of £1,339,610 (2014, £1,393,043) after allowing for outstanding commitments.

These funds included restricted fixed asset funds of £1,444,323, other restricted funds of £39,950 and

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

unrestricted funds of £42,337.

Additionally there is a pension fund reserve with a deficit of £187,000. This does not mean that an immediate liability crystallises. The deficit results in a cash flow effect in the form of possible future increases in pension contribution, which, if required, will be met from the budgeted annual income.

Plans for Future Periods

The Governors' main plans for future periods are:

- To raise attainment in mathematics, reading and spelling and grammar
- To improve progress to in line with the national average in reading and mathematics
- Prepare for, resource and implement a curriculum in response to the changes to the National Curriculum
- Provide a twenty first century ICT curriculum which utilises the latest wireless technologies
- To continue to enhance inclusion provision through well targeted and tracked spending of both the Pupil Premium and Sports Premium
- To explore more formal collaboration, including potentially joining a multi-academy trust with a similar ethos and vision
- To extend the academy's provision to include 3 year olds (Nursery provision)
- The academy's application to join the multi-academy Enquire Learning Trust was rejected by the RSC after the year-end. The academy will continue to explore options to join another multi-academy trust, subject to the RSC's approval.

Disclosure of Information to Auditors

In so far as the Governors are aware:

- There is no relevant audit information of which the Academy Trust's auditor is unaware; and
- The Governors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Harris+Co have indicated their willingness to remain in office for a three year period (Yr 12-13, Yr 13-14, Yr 14-15). The audit process will be reviewed in detail and re-appointment of the auditors will be considered at the end of this period.

This report was approved by order of the board of trustees on 9 December 2015 and signed on the board's behalf by:


.....
N Hoyland
Chair of Trustees

CASTLE ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Castle Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to Simon Martin, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Castle Academy 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Hoyland, Chair of Governors	6	6
F Hatley, Vice Chair of Governors	4	6
N Mead	5	6
L Clemitshaw	3	6
L Tankard	0	2
A Johnson	1	2
D Toseland	0	2
S White	0	2
S Martin, Head Teacher	6	6
L White, Staff Trustee	5	6
J Ward, Staff Trustee	6	6
M Jones, Staff Trustee	6	6
S Abbotts	6	6
C Wosman	6	6

The committee structure, terms of reference and their composition were reviewed in September 2014. The Finance & Facilities Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound financial management.

The Finance & Facilities Committee has formally met 3 times during the period under review.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Hoyland (Chair of Finance & Facilities Committee)	3	3
S Martin (Head teacher & Accounting Officer)	3	3
F Hatley	2	3
C Wosman	2	2
S Blackburn	0	1
L Tankard	0	1
M Jones	3	3

Governance Review

The governing body continues to keep under review the need for a review of governance and the effectiveness of the governance procedures to ensure these are in line with best practice. No recommendations relating to governance were made in the most recent Ofsted report (April 2014) and no external review of governance was required.

REVIEW OF VALUE FOR MONEY

As accounting officer, Simon Martin has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Keeping staffing levels under continuous review. The academy employed two additional teaching assistants and an experienced mathematics SATs marker in the spring term to provide additional and highly skilled support in preparing pupils for assessments. This resulted in a significant increase in performance in mathematics in the 2015 assessments, taking performance in mathematics from below floor targets at 59% in 2014 to above at 89% in 2015 representing a considerable improvement. These additional resources also allowed the class teacher to focus on ability group teaching in grammar, punctuation and spelling resulting in attainment substantially increasing to 81%.
- In response to issues identified through the DfE and Ofsted inspections, senior leaders commissioned a process of tailor-made professional development for some of its teachers. This was to support teachers in fine tuning their teaching skills to ensure that they were able to demonstrate effective good practice. Rather than sending staff on a series of expensive courses, senior leaders made use of the academy's partnership with Upperwood Primary Academy to support staff development. A senior leader from Upperwood was commissioned to work with staff using strategies which had been effective within their Local Leader of Education (LLE) support work. This helped teachers refine their practice using a sequence of modelled lessons, self-reflection and peer review. The cost to the academy was minimal as it consisted only of cover costs rather than professional fees.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castle Academy for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

CASTLE ACADEMY
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GOVERNANCE STATEMENT (continued)

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Facilities Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Linda Thorp of Financial & Management Consultants, to give advice on financial matters and perform an independent programme of checks on the Academy Trust's financial systems and controls. On a termly basis, she reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. In addition, Chris Wosman (Finance & Facilities Committee) has made 3 visits to the academy to inspect the bank statements and to select a number of transactions for inspection.

REVIEW OF EFFECTIVENESS

As accounting officer, Simon Martin has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the independent programme of checks on financial systems and controls;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.


The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Facilities Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

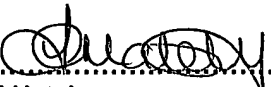
Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf, by:

CASTLE ACADEMY
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GOVERNANCE STATEMENT (continued)


.....
N Hoyland
Chair of Trustees


.....
S Martin
accounting officer


.....
F Hatel
Finance & Facilities Committee


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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Castle Academy I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.


.....
S Martin
accounting officer

Date: 09 December 2015

CASTLE ACADEMY
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Castle Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the 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 on 9 December 2015 and signed on its behalf by:


.....
N Hoyland
Chair of Trustees

CASTLE ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE ACADEMY

We have audited the financial statements of Castle Academy for the year ended 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, 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 academy 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 academy'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 academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

CASTLE ACADEMY
(A company limited by guarantee)

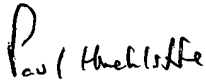
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE ACADEMY

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:

- the Academy Trust has not kept adequate accounting records; 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

In addition we have nothing to report in respect of the disclosures of trustee's remuneration required by law.



Paul Hinchliffe BA FCA (Senior statutory auditor)

for and on behalf of

Harris & Co Limited

Chartered Accountants
Registered Auditors

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW
9 December 2015

CASTLE ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CASTLE ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle Academy during the year 1 September 2014 to 31 August 2015 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 Castle Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Castle Academy 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 Castle Academy and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CASTLE ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Castle Academy's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw our conclusion includes:

- 1) consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- 2) evaluation of the general control environment of the Academy Trust;
- 3) assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- 4) consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

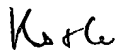
CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which

CASTLE ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CASTLE
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

govern them.



Harris & Co Limited
Chartered Accountants
Reporting Accountant
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

9 December 2015

CASTLE ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	428	-	-	428	-
Activities for generating funds	3	6,836	-	-	6,836	3,625
Investment income	5	124	-	-	124	131
Incoming resources from charitable activities	6	52,542	934,553	18,006	1,005,101	1,015,957
TOTAL INCOMING RESOURCES		59,930	934,553	18,006	1,012,489	1,019,713
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	1,488	-	-	1,488	1,515
Charitable activities	8	65,927	859,662	71,116	996,705	882,137
Governance costs	7	-	44,730	-	44,730	32,982
TOTAL RESOURCES EXPENDED	9	67,415	904,392	71,116	1,042,923	916,634
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(7,485)	30,161	(53,110)	(30,434)	103,079

CASTLE ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
	Note					
Transfers between Funds	19	7,485	(29,482)	21,997	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		-	679	(31,113)	(30,434)	103,079
Actuarial gains and losses on defined benefit pension schemes		-	(23,000)	-	(23,000)	62,000
NET MOVEMENT IN FUNDS FOR THE YEAR		-	(22,321)	(31,113)	(53,434)	165,079
<i>Total funds at 1 September 2014</i>		42,337	(124,730)	1,475,436	1,393,043	1,227,964
TOTAL FUNDS AT 31 AUGUST 2015		42,337	(147,051)	1,444,323	1,339,609	1,393,043

All activities relate to continuing operations.

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

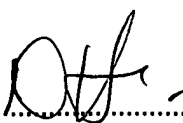
The notes on pages 23 to 41 form part of these financial statements.

CASTLE ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8143349

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		1,434,127		1,470,639
CURRENT ASSETS					
Debtors	17	35,838		110,476	
Cash at bank and in hand		102,283		35,620	
		<u>138,121</u>		<u>146,096</u>	
CREDITORS: amounts falling due within one year	18	(45,639)		(60,692)	
NET CURRENT ASSETS			<u>92,482</u>		<u>85,404</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,526,609</u>		<u>1,556,043</u>
Defined benefit pension scheme liability	24	(187,000)		(163,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>1,339,609</u></u>		<u><u>1,393,043</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	39,949		38,270	
Restricted fixed asset funds	19	1,444,323		1,475,436	
Restricted funds excluding pension liability		<u>1,484,272</u>		<u>1,513,706</u>	
Pension reserve		<u>(187,000)</u>		<u>(163,000)</u>	
Total restricted funds			<u>1,297,272</u>		<u>1,350,706</u>
Unrestricted funds	19		<u>42,337</u>		<u>42,337</u>
TOTAL FUNDS			<u><u>1,339,609</u></u>		<u><u>1,393,043</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:



N Hoyland
Chair of Trustees

The notes on pages 23 to 41 form part of these financial statements.

CASTLE ACADEMY
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	21	75,201	40,482
Returns on investments and servicing of finance	22	125	131
Capital expenditure and financial investment	22	(8,663)	(156,935)
INCREASE/(DECREASE) IN CASH IN THE YEAR		66,663	(116,322)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	66,663	(116,322)
MOVEMENT IN NET FUNDS IN THE YEAR	66,663	(116,322)
Net funds at 1 September 2014	35,620	151,942
NET FUNDS AT 31 AUGUST 2015	102,283	35,620

The notes on pages 23 to 41 form part of these financial statements.

CASTLE ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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 2014 to 2015 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 academy 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 Education Funding Agency.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy 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.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 academy's policies.

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

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

CASTLE ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

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 academy's educational operations.

Governance costs include the costs attributable to the academy'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.

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 academy 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.

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 academy'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 not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land	-	Not depreciated
Long Term Leasehold Property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 4 years
Computer equipment	-	Straight line over 3 years

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

1.8 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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

1.9 Pensions

Retirement benefits to employees of the academy 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 academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 24, the TPS is a multi-employer scheme and the academy 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 academy 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 the 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 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	428	-	428	-

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	760	-	760	150
Fundraising	6,076	-	6,076	3,475
	<u>6,836</u>	<u>-</u>	<u>6,836</u>	<u>3,625</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fundraising trading expenses	1,488	-	1,488	1,515
Fundraising expenses	<u>(1,488)</u>	<u>-</u>	<u>(1,488)</u>	<u>(1,515)</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	<u>124</u>	<u>-</u>	<u>124</u>	<u>131</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	<u>52,542</u>	<u>952,559</u>	<u>1,005,101</u>	<u>1,015,957</u>

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	802,769	802,769	795,307
DfE capital grants	-	18,006	18,006	101,279
Other DfE grants	-	34,455	34,455	9,177
Pupil premium	-	54,912	54,912	54,697
	-	910,142	910,142	960,460
Other government grants				
SEN	-	-	-	905
Other local authority income	-	42,417	42,417	5,016
	-	42,417	42,417	5,921
Other funding				
Catering	28,306	-	28,306	35,332
Educational visits	8,013	-	8,013	8,010
Breakfast/After school club	10,087	-	10,087	5,487
Recharges to other schools	2,582	-	2,582	747
Other insurance claims	3,554	-	3,554	-
	52,542	-	52,542	49,576
	52,542	952,559	1,005,101	1,015,957

7. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Internal audit costs	-	-	800
Auditors' remuneration	8,650	8,650	5,450
Legal & professional fees	8,460	8,460	4,105
Governance - Clerking governing body fees	4,594	4,594	-
Wages and salaries	18,431	18,431	18,146
National Insurance	1,789	1,789	1,724
Pension costs	2,806	2,806	2,757
	44,730	44,730	32,982

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	408,109	368,557
National insurance	22,287	23,571
Pension cost	66,506	57,914
Depreciation	53,055	49,868
Pension interest	-	6,000
Educational supplies	41,592	47,631
Staff development	27,270	4,265
Educational consultancy	5,250	3,075
Other direct expenses	7,602	40
Staff related insurance	7,030	6,779
Educational visits	15,553	12,035
Breakfast club	1,233	1,486
Profit/loss on disposal of fixed assets	3,409	2,508
Subtotal	<u>658,896</u>	<u>583,729</u>
Other	-	-
	<u>658,896</u>	<u>583,729</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	112,666	107,296
National insurance	7,375	6,625
Pension cost	23,409	21,735
Depreciation	6,716	6,176
Other support expenses	19,469	12,592
Other employee expenses	681	408
Maintenance of premises	34,449	20,992
Cleaning	14,253	11,785
Rent and rates	7,097	3,731
Insurance	8,473	9,173
Computer costs	23,775	30,888
Security and transport	851	-
Catering	68,454	55,801
Equipment leasing	4,924	3,788
Legal & professional fees	5,217	6,920
Bank charges and fees	-	80
Profit/loss on disposal of fixed assets	-	418
	<u>337,809</u>	<u>298,408</u>
	<u><u>996,705</u></u>	<u><u>882,137</u></u>

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Fundraising expenses	-	-	1,488	1,488	1,515
Costs of generating funds	-	-	1,488	1,488	1,515
Direct costs - Educational operations	496,902	22,288	139,706	658,896	576,950
Support costs - Educational operations	143,450	56,490	137,869	337,809	305,188
Charitable activities	640,352	78,778	277,575	996,705	882,138
Governance	23,026	-	21,704	44,730	32,981
	663,378	78,778	300,767	1,042,923	916,634

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Educational operations	658,896	337,809	996,705	882,138

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	59,772	56,044
Auditors' remuneration	8,650	5,450
Governance Internal audit costs	-	800
Operating lease rentals	4,924	4,104
Profit/loss on disposal of fixed assets	3,409	2,926

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	506,177	489,393
Social security costs	31,451	31,921
Other pension costs (Note 24)	92,721	82,406
	<u>630,349</u>	<u>603,720</u>
Supply teacher costs	33,029	4,606
	<u>663,378</u>	<u>608,326</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teaching	17	11
Administration and support	4	4
Management	2	2
	<u>23</u>	<u>17</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	1

Included in the above is one employee for whom retirement benefits are accruing under a defined benefit scheme.

CASTLE ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £'000	2014 £'000
S Martin (remuneration)	60-65	60-65
J Ward (remuneration)	45-50	45-50
M Jones (remuneration)	25-30	25-30
L White (remuneration)	10-15	10-15
S Martin (employers pension)	5-10	5-10
J Ward (employers pension)	5-10	5-10
M Jones (employers pension)	5-10	0-5
L White (employers pension)	0-5	0-5

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £389 (2014 - £389). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	23,000	17,000
Interest on pension scheme liabilities	(23,000)	(23,000)
	<u>-</u>	<u>(6,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	1,455,190	57,524	51,886	1,564,600
Additions	1,330	15,306	10,033	26,669
Disposals	-	(115)	(10,830)	(10,945)
At 31 August 2015	1,456,520	72,715	51,089	1,580,324
Depreciation				
At 1 September 2014	44,489	20,317	29,155	93,961
Charge for the year	24,353	18,206	17,213	59,772
On disposals	-	(86)	(7,450)	(7,536)
At 31 August 2015	68,842	38,437	38,918	146,197
Net book value				
At 31 August 2015	1,387,678	34,278	12,171	1,434,127
At 31 August 2014	1,410,701	37,207	22,731	1,470,639

Included in land and buildings is freehold land of £239,000 which is not depreciated.

17. DEBTORS

	2015 £	2014 £
Trade debtors	9,020	60,143
Other debtors	7,484	28,424
Prepayments and accrued income	19,334	21,909
	<u>35,838</u>	<u>110,476</u>

**18. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	23,240	34,150
Accruals and deferred income	22,399	26,542
	<u>45,639</u>	<u>60,692</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	16,412
Resources deferred during the year	14,913
Amounts released from previous years	(16,412)
	<hr/>
Deferred income at 31 August 2015	14,913
	<hr/> <hr/>

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	42,337	59,930	(67,415)	7,485	-	42,337
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	18,167	802,769	(781,816)	(9,379)	-	29,741
Pupil premium	16,899	54,912	(54,912)	(16,899)	-	-
Other EFA grants	348	34,455	(34,455)	(348)	-	-
Other government grants	2,856	42,417	(32,209)	(2,856)	-	10,208
Pension reserve	(163,000)	-	(1,000)	-	(23,000)	(187,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(124,730)	934,553	(904,392)	(29,482)	(23,000)	(147,051)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Assets transferred on conversion	1,198,993	-	(25,038)	304	-	1,174,259
DfE/EFA capital grants	94,389	18,006	(14,474)	(46,814)	-	51,107
Purchased from other funds	182,054	-	(31,604)	68,507	-	218,957
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,475,436	18,006	(71,116)	21,997	-	1,444,323
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	1,350,706	952,559	(975,508)	(7,485)	(23,000)	1,297,272
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	1,393,043	1,012,489	(1,042,923)	-	(23,000)	1,339,609
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

The restricted fund should be used to further the charitable activities of the academy, being the education of primary aged children. The transfer between restricted funds and restricted fixed asset funds relates to

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. STATEMENT OF FUNDS (continued)

fixed assets purchased from GAG. The transfer between unrestricted funds and restricted fixed asset funds relates to fixed assets purchased from unrestricted funds.

The restricted pension fund is in deficit to the value of £187,000 as at 31 August 2015, which is lower than other restricted (including restricted fixed asset funds) and unrestricted funds. This deficit has been inherited upon conversion to Academy status. The Governors will continue to monitor this situation closely.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	42,337	59,930	(67,415)	7,485	-	42,337
Restricted funds	(124,730)	934,553	(904,392)	(29,482)	(23,000)	(147,051)
Restricted fixed asset funds	1,475,436	18,006	(71,116)	21,997	-	1,444,323
	<u>1,393,043</u>	<u>1,012,489</u>	<u>(1,042,923)</u>	<u>-</u>	<u>(23,000)</u>	<u>1,339,609</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	1,434,128	1,434,128	1,470,640
Current assets	42,337	85,589	10,195	138,121	146,096
Creditors due within one year	-	(45,640)	-	(45,640)	(60,693)
Provisions for liabilities and charges	-	(187,000)	-	(187,000)	(163,000)
	<u>42,337</u>	<u>(147,051)</u>	<u>1,444,323</u>	<u>1,339,609</u>	<u>1,393,043</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(30,434)	103,079
Returns on investments and servicing of finance	(125)	(131)
Depreciation of tangible fixed assets	59,772	56,044
Loss on disposal of fixed assets	3,409	2,926
Decrease/(increase) in debtors	74,637	(67,691)
(Decrease)/increase in creditors	(15,052)	42,534
FRS 17 adjustments	1,000	5,000
Capital grants	(18,006)	(101,279)
Net cash inflow from operations	75,201	40,482

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	125	131
	2015	2014
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(26,669)	(258,214)
Capital grants from DfE	18,006	101,279
Net cash outflow capital expenditure	(8,663)	(156,935)

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	35,620	66,663	-	102,283
Net funds	35,620	66,663	-	102,283

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS

The academy'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 South Yorkshire Pension Authority. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £48,531 (2014: £48,824).

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £53,029, of which employer's contributions totalled £43,189 and employees' contributions totalled £10,020. The agreed contribution rates for future years are 17.7% for employers and 5.5 to 12.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. PENSION COMMITMENTS (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	59.40	256,000	7.00	223,000
Government bonds	14.30	61,000	2.90	48,000
Other bonds	5.90	25,000	3.80	24,000
Property	11.50	49,000	6.20	39,000
Cash/liquidity	1.80	8,000	0.50	7,000
Other	7.10	30,000	7.00	24,000
Total market value of assets		429,000		365,000
Present value of scheme liabilities		(616,000)		(528,000)
Deficit in the scheme		(187,000)		(163,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(616,000)	(528,000)
Fair value of scheme assets	429,000	365,000
Net liability	(187,000)	(163,000)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(44,000)	(33,000)
Interest on obligation	(23,000)	(23,000)
Expected return on scheme assets	23,000	17,000
Total	(44,000)	(39,000)
Actual return on scheme assets	11,000	33,000

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	528,000	487,000
Current service cost	44,000	33,000
Interest cost	23,000	23,000
Actuarial Losses/(gains)	11,000	(24,000)
Member contributions	10,000	9,000
	<hr/>	<hr/>
Closing defined benefit obligation	616,000	528,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening fair value of scheme assets	365,000	267,000
Expected return on assets	23,000	17,000
Actuarial gains and (losses)	(12,000)	38,000
Contributions by employer	43,000	34,000
Contributions by employees	10,000	9,000
	<hr/>	<hr/>
	429,000	365,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £55,000 (2014 - £78,000).

The academy expects to contribute £43,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	59.40 %	61.20 %
Government bonds	14.30 %	13.10 %
Other bonds	5.90 %	6.60 %
Property	11.50 %	10.80 %
Cash/liquidity	1.80 %	1.80 %
Other	7.10 %	6.50 %

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

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	3.95 %	3.85 %
Rate of increase for pensions	2.20 %	2.10 %
Inflation assumption (CPI)	2.20 %	2.10 %

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	23	22.9
Females	25.6	25.5
Retiring in 20 years		
Males	25.3	25.2
Females	28.4	28.3

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(616,000)	(528,000)	(487,000)
Scheme assets	429,000	365,000	267,000
Deficit	- (187,000)	(163,000)	(220,000)
Experience adjustments on scheme liabilities	-	41,000	-
Experience adjustments on scheme assets	(12,000)	38,000	16,000

25. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £	2015 £	Other 2014 £
Expiry date:				
Between 2 and 5 years	-	-	3,788	3,788

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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27. MEMBERS LIABILITY

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