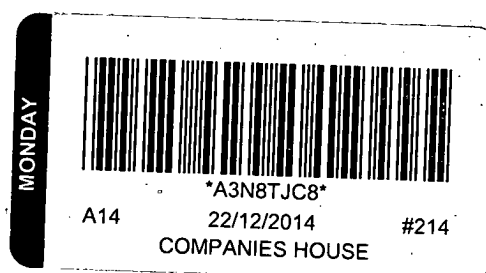


Registered number: 08146452

**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**



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**CASTLEVIEW SCHOOL**  
**(A company limited by guarantee)**

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**CASTLEVIEW SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Members and Trustees**

Peter Quinn \*  
Michael Maydell, Vice Chair \*  
Kevin Docherty, Chair \*

**Trustees**

Carole Bird (resigned 5 January 2014)  
Carolynne Nolder  
Clare Beynon, Head Teacher and Accounting Officer \*  
Gurnam Gill (resigned 1 May 2014)  
Hardeep Mann  
Helen St.Ledger  
Jack Sian  
Joanne Falconer  
Jivan Hothi (resigned 10 July 2014)  
Ronald Spence  
Sunil Kapur \*  
Jacky Eady \*  
Peter Smyth \*  
Dawn Kirby (appointed 1 March 2014)  
Vijay Boothnath (appointed 1 March 2014)

\* denotes member of Finance Committee

**Company registered number**

08146452

**Principal and registered office**

Woodstock Avenue, Slough, Berkshire, SL3 7LJ

**Company secretary**

Sandra Smith

**Senior management team**

Clare Beynon, Headteacher  
Sandra Smith, Business Manager  
Shirley Thompson, Assistant Headteacher  
Sarah McMann, Assistant Headteacher  
Sophie Hammond, Assistant Headteacher

**Independent auditors**

Moore Stephens LLP, 150 Aldersgate Street, London, EC1A 4AB

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**CASTLEVIEW SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Administrative details (continued)**

**Bankers**

Lloyds Bank, 123 High Street, Slough, Berkshire, SL1 1DH

**Solicitors**

Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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Castleview School was incorporated as a charitable company under the Companies Act 2006 on 17th July 2012 and commenced operations on 1st September 2012.

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Castleview School ("the School") for the year ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the School comply with the current statutory requirements, the requirements of the School's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity and was set up by a Trust deed on 31st August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust. The trustees of Castleview School are the directors of the charitable company for the purposes of company law. They are also the School governors.

The members delegate the management of operations of the School to the Board of Trustees.

The Members of the School comprise:

1. The signatories to the Memorandum of their successors;
2. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoint a person for this purpose;
3. The chairman of Governors;
4. The vice chairman of the Governors;
5. The chair of the Finance Committee; and
6. Any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

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

**Member's Liability**

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

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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**Members' Indemnities**

The School's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a director, governor, trustee or officer of the School.

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

The management of the School is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

The School has the following governors and methods of appointment:

- a) Up to 6 Community Governors appointed by members;
- b) 6 Parent Governors (elected by parents of registered pupils at the school and must be a parent of a pupil at the School at the time of the election);
- c) The Headteacher;
- d) 2 staff Governors elected by the school staff (the number of staff governors should not exceed one third of the total number of governors (including the head) and should not be parents of pupils attending the Castleview School;
- e) Any additional Governors, if appointed by the Secretary of State; and
- f) Any further Governors, if appointed by the Secretary of State.

**Term of office**

The term of office for any governor shall be four years, save that this time limit shall not apply to the Headteacher.

The first Community Governors, Parent Governors and Staff Governors were those people who filled those positions on the governing body of the predecessor Castleview School (Foundation Primary) at its closure on 31st August 2012. They will remain governors of the School for the remainder of the terms of office for which they were elected to the predecessor governing body.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

Upon their appointment, all new governors are given an induction by the School and governing body. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

**Organisational Structure**

The structure of the organisation has three levels; the governors, the School leadership team and the operational School managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for agreeing general policy, adopting the annual plan and budget, monitoring the School by use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The operational School managers are responsible for the day to day operation of the school departments, in

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**CASTLEVIEW SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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particular organising staff, facilities and pupils.

**Connected Organisations, Including Related Party Relationships**

The School is a member of an Umbrella Trust, The Kedermister Education Trust which acts as a strategic body helping to promote and assist education to those schools that are part of its membership. The Kedermister Education Trust is currently dormant and does not have any control over the operation of the school.

There are no connected organisations or related party relationships other than those noted in note 24 to the Financial Statements.

**OBJECTIVES AND ACTIVITIES**

**Principal Activities**

The principal object and activity of the School is the provision of primary education for pupils between the ages of 3 and 11.

In accordance with the articles of association the School has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies amongst other things, the basis for admitting pupils to the School and that the School will provide a broad and balanced curriculum.

The aims of Castleview School are as follows:

- To create a positive environment which recognises the achievements of all members of the School community.
- To have a learning environment where adults and children review and celebrate achievement and where independence leads to success.
- To promote a welcoming and relaxed classroom climate where everyone feels secure, confident and able to achieve their full potential.
- To create a calm and orderly School which is safe and happy and where all are respected, valued and welcomed.
- To create an environment where communication and decision-making is open and effective throughout the whole School community.
- To help each member of our community develop a sensitive, tolerant and caring attitude, balancing individual needs with those of the wider group.
- To value the cultural, moral and social diversity of the whole School community.
- To provide equal opportunities for all pupils to reach their full potential and the highest possible standards of personal and academic achievement.
- To establish close partnerships with parents through regular home/School links and contacts.
- To ensure the provision of adequate time and appropriate resources in order to develop the skills necessary for future progression.

**Objects and Aims**

The principal object of the School is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a School offering a broad and balanced curriculum.

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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**Objectives, Strategies and Activities**

The School's main strategy is encompassed in its vision statement which is 'Together everyone achieves more' - Developing Individuals as Active Learners and thereby promoting high achievement and learning for life by:

- Being effective in our teaching so as to develop a child's intellect, experience and imagination, and to create an awareness of moral values and sense of purpose.
- Valuing every child as an individual with needs and aspirations who can make a distinct contribution to the life of the school.
- Providing a stimulating and well-resourced environment in which children's achievements are celebrated and shared.
- Encouraging the children to accept responsibility for their behaviour and their learning.
- Encouraging everyone to have an understanding, and tolerance of different religions, cultures, societies and people.
- Continually promoting a good rapport between pupil, all staff groups and parents.
- Having high expectations of work and behaviour.

**Public Benefit**

The governors acknowledge the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

The School provides a state primary education to boys and girls age 3 to 11 living in the local area. This School is specifically restricted to advance, for public benefit, education in the United Kingdom.

**STRATEGIC REPORT**

**Achievements and Performance**

The second year of Academy status was a very productive year.

In September 2010 numbers on roll increased by 30 pupils. This is because the School increased to 3 forms of entry in Reception, following a building programme over the summer. The School has continued to attract new pupils through the year hence, as of September 2013, there were 558 full time and 52 part-time pupils on roll. Staffing also increased to cater for the additional pupils. A further 1 teacher and 2 support staff were employed in September 2013 together with additional catering and admin staff. Our Resource Base for children with Autism and Complex Needs also admitted additional children and the school employed additional 1:1 support staff. In September 2014 the school went back to admitting 60 children in Reception (not the 'bulge' of 90). This meant that we have three years that are 2 fe and 4 years that are 3 fe.

The School is popular and well-respected. Its excellent reputation attracts pupils from beyond the catchment area, across Langley. Castleview School was a National Support School and the headteacher, a National Leader of Education during 2012 which means that it is recognised for the high standards and good progress it achieves for all its pupils and supported other underperforming Schools, on behalf of the DfE.

The School population reflects the changing context of the catchment area. As well as increasing numbers on roll, the School now has 85% pupils from ethnic minority groups and 71% of its pupils do not have English as their first language. Twenty nine different languages are spoken in the School. Castleview School has 5% of its pupils who are eligible for Free School Meals (FSM) and 46 pupils receive additional support for special educational needs.

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**CASTLEVIEW SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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- Our School development plan targets 2013/14 were:
- Trial and then embed a new curriculum that is fit for purpose and takes into account the new National Curriculum as well as learning life skills (Castleview Curriculum).
- Ensure that marking and feedback throughout the school is meaningful and consistently moving the children's learning forward.
- Ensure that ALL children are challenged (including our MOST able) so that their level of progress is as high as possible.
- Ensure that all gaps in attainment of FSM/PP/SEN /gender /Ethnicity are as small as possible.
- To continue to work on focussed differentiation in R,W and M to challenge all children including the most able.
- To focus on the quality and consistency of marking and feedback to ensure it is consistent and moves children's learning on.
- Improve the monitoring of the triangulation of T&L, attainment & progress and feedback. 100% Good + 50% O/S.
- Monitor and implement the newly innovated curriculum so that it is fun, challenging and creative as well as giving a purpose to their learning and equipping the children with the life skills needed for an ever changing world.
- Ensure pupils are more aware of their targets and know how to improve.
- Castleview to develop further links and build on the activities that have been started within the group of schools.

The evaluation of our School development plan showed that good progress was made against all the targets. Our Whole School Project of the Chocolate trial for our new curriculum was very successful and a way forward for September 2014 has been decided.

The SATs results in 2014 were very positive and were our highest ever results in KS1 and KS2. They showed that Year 6 children had achieved well with 97+% achieving level 4 and above in all tests (Maths was 95%). This was significantly above National and Slough averages. The % of Level 5+ rose in every subject, along with the % of Level 6 children. 92% of our children achieved a L5+ in Reading, 86% in GAPS (17% L6) and 75% in Maths (28% L6) in 2014. There were some gender differences in EYFS, KS1 and KS2 results but these varied with both the subject and year group. The gap between FSM and non-FSM has further narrowed in all subjects. The last phase of the building work has finished and is now occupied by Year 3. We have a new roof and windows being fitted in September 2014 due to grant from the EFA.

The majority of Castleview School pupils make at least the expected progress as they move through the School. The value added to our pupils is significantly above the national average in all areas. The gap in progress achieved by pupils receiving free School meals and Looked After children, compared with all other children, is relatively small.

#### **Key Performance Indicators**

The key financial performance indicators are:

The School will continue to trade with sufficient balances so as to continue to improve the infra-structure of the School and to ensure the continuity of the education of students.

The School will keep within the agreed budget unless a variation is agreed by the governing body.

Non-financial performance indicators are: pupil numbers, exam results and maintaining facilities to a high standard. The School has a full complement in all year groups and details of exam results and facilities are detailed within this report.

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**CASTLEVIEW SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Going Concern**

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

### **Financial Review**

The School's principal income is from the Department for Education ('DfE') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2014 and the associated expenditure are shown in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE and other agencies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

During the period ended 31 August 2014, total expenditure of £2,730,000 (2013: £2,402,000) was covered by recurrent grant funding from the DfE together with other incoming resources of £3,947,000 (2013: 6,752,000). Net incoming resources totalled £1,158,000 (2013: £4,218,000). The net assets of £5,376,000 (2013: £4,218,000) are made up of restricted fixed asset funds of £5,089,000 (2013: £4,210,000); restricted general funds of £830,000 (2013: £393,000) and unrestricted funds of £126,000 (2013: £154,000).

Expenditure was used to provide a stimulating education for students and to improve the infrastructure of the School in order to improve learning.

As at 31 August 2014, the net book value of assets was £4,851,000 (2013: £4,210,000) and movements in tangible assets are shown in note 13 to the financial statements. The buildings and land are owned by the School. Any alterations or improvements incurred by the School are shown as fixed assets.

The assets were used exclusively for providing education and the associated support services to the students at the School.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31 August 2014, the deficit stood at £669,000 (2013: £539,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries doing subsequent triennial valuations of the scheme.

### **Reserves Policy**

The trustees agree the levels of reserves annually; this review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be 2% of grant income. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

### **Investment Policy and Performance**

The School adopts a low risk policy with regard to investments. The Trustees ensure that adequate cash balances are maintained to cover day to day transactions. Surplus balances may be placed in investments with

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**CASTLEVIEW SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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no risk of capital loss, but to optimise returns on such investment. All investments would be made in Sterling, with UK based institutions.

Cash balances are held with one bank for which the Business Manager maintains up-to-date reconciliations. The Finance Committee monitors the School account balance on a quarterly basis.

### **Principal Risks and Uncertainties**

The principal goal for the School is to safeguard its long-term ability to continue to attract high-calibre staff and deliver an excellent education to all pupils, and to maintain and renew its physical facilities.

The principal risk for the finances of the School is a reduction in pupil numbers. The majority of the Trust's income comes from the EFA, which is principally calculated by reference to the numbers of students enrolled at the School. The School is very popular and pupil numbers have increased in recent years, as such the Trustees assess the risk of a substantial reduction in funding to be minimal. However, income could still be affected by any changes in government funding. The Trustees undertake budget planning and setting on a conservative, on-going cost basis, hence reductions in funding or increased costs can be managed.

The Trustees have identified the key uncertainties facing the School in the next twelve months to be the extent and impact of changes to government funding and the uncertain economic climate and financial environment, which put pressure on education and capital projects.

### **Risk Management**

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the School, and its finances. The directors 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 finances. They have also introduced systems and procedures (e.g. safeguarding) and internal financial controls in order to minimise risk. Where significant risk still remains, they have ensured that they have sufficient insurance cover. The School has an effective system of internal financial control and this is explained in more detail in the following statement.

As trustees, we acknowledge we have overall responsibility for ensuring that the School has an effective and appropriate system of controls, both financial and otherwise. We are also responsible for ensuring that proper accounting records are kept that disclose with reasonable accuracy the financial position of the School and enable us to prepare financial statements that comply with the Companies Act.

We also acknowledge responsibility for safeguarding the assets of the School and for taking reasonable assurance that:

- The School is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use and disposition;
- Proper records are maintained and financial information used within the School or for publication is reliable;
- The School complies with relevant laws and regulations.

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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**Financial and Risk Management Objectives and Policies**

The main objective is to ensure that School operates within its allocated budget and settles its liabilities as they fall due. The current deficit on the LGPS of which £669,000 has been apportioned to the School does not crystallise immediately but the School ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

The actuaries of the scheme evaluated the fund three years ago and at that time put into place increased contributions in order to reduce this deficit. The directors include the contributions within the budgets submitted to the EFA as part of its annual application for GAG funding. The deficit is recognised on the balance sheet in accordance with FRS17.

In accordance with the School's statutes, the trustees and senior staff are responsible for the administration and management of the School's affairs. They are responsible for setting objectives and policies to ensure that:

- There is an effective system of internal control and that accounting records are properly kept;
- There are appropriate financial and management controls in place to safeguard the assets of the School and prevent and detect fraud; and
- The School secures economical, efficient and effective management of its resources and expenditure.

**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.

**Plans for the future**

Castlevew School is currently replacing the old felt flat roof and old windows to ensure a safe and secure environment for the children and staff.

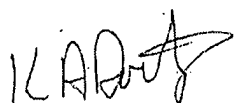
**Disclosure of Information to Auditor**

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing their report and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the board of trustees on 27 November 2014 and signed on its behalf by:

Kevin Docherty  
Chair of Trustees



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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Castleview School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

	Meetings attended	Out of a possible
Kevin Docherty, Chair	6	6
Michael Maydell Vice Chair	5	6
Carole Bird (resigned 5 January 2014)	1	2
Carolynne Nolder	2	6
Clare Beynon, Head Teacher	6	6
Gurnam Gill (resigned 1 May 2014)	0	4
Hardeep Mann	6	6
Helen St.Ledger	4	6
Jack Sian	3	6
Joanne Falconer	3	6
Jivan Hothi (resigned 10 July 2014)	2	6
Ronald Spence	3	6
Sunil Kapur	3	6
Jackie Eady	5	6
Peter Smythe	5	6
Vijay Boothnath (appointed 1 March 2014)	2	3
Dawn Kirby (appointed 1 March 2014)	2	3

Changes in the composition of the board of trustees can be found in the administrative details section on page 1.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the system of internal financial control operating within the School and for reviewing its effectiveness. The Finance Committee held five meetings during the year

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**CASTLEVIEW SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Kevin Docherty	5	5
Michael Maydell	5	5
Sunil Kapur	2	5
Clare Beynon	5	5
Jackie Eady	3	5

The Governing Body is concerned about attendance at meetings and are in the process of reviewing their Articles of Association with a view to reducing the number of governors. It is hoped that a smaller, pro-active core group of governors will result in improved attendance at meetings. The School has joined the Windsor Borough and Maidenhead Governor Support Service and has received whole governing body training throughout the year. The governors completed a self-review questionnaire.

**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 on-going process designed to identify and prioritise the risks to the achievement of School trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castleview School for the period 1<sup>st</sup> September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the School 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 on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1<sup>st</sup> September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and is negotiating with schools within the Umbrella Trust with a view to carrying out some peer reviews and appointing an external reviewer where more bespoke reviews are required. In the meantime, the School's auditor has performed additional checks.

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**CASTLEVIEW SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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The appointee's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. The appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer is advised of the implications of the result of their review of the system of internal control by the Finance Committee and addresses weaknesses to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on *27 November 2014*



**Kevin Docherty**  
Chair of Trustees



**Clare Beynon**  
Accounting Officer

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Castleview School I have considered my responsibility to notify the School 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 School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the School Governing Body are able to identify any material, irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook (2013).

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 Governing Body and EFA.



**Clare Beynon**  
Accounting Officer

Date: 11/12/14

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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The Trustees (who act as governors of Castlevue School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (incorporating the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

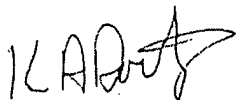
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 **27 November 2014** and signed on its behalf by:



**Kevin Docherty**  
Chair of Trustees

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLEVIEW SCHOOL**

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We have audited the financial statements of Castleview School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the School'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 School'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 responsibility to anyone other than the School 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 AUDITOR**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the School 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 School'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 School's affairs as at 31 August 2014 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 2013 to 2014 issued by the Education Funding Agency.

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLEVIEW SCHOOL**

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*A S Mathias*

**Ann Mathias (Senior statutory auditor)**

for and on behalf of

**Moore Stephens LLP**

150 Aldersgate Street

London

EC1A 4AB

Date: *19 DECEMBER 2014*

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CASTLEVIEW SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castleview School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF CASTLEVIEW SCHOOL'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Castleview School's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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CASTLEVIEW SCHOOL  
(A company limited by guarantee)

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CASTLEVIEW SCHOOL AND THE EDUCATION FUNDING AGENCY

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Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Headteacher or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

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

*Moore Stephens LLP*

Moore Stephens LLP

Chartered Accountants  
Registered Auditors

150 Aldersgate Street  
London  
EC1A 4AB

Date: *19 December 2014*

**CASTLEVIEW SCHOOL**  
(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 2014

	Note	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	-	-	556	556	4,167
Activities for generating funds	3	89	304	-	393	310
Investment income	4	1	-	-	1	-
Incoming resources from charitable activities: Academy trust's educational operations	5	-	2,510	487	2,997	2,275
<b>TOTAL INCOMING RESOURCES</b>		<b>90</b>	<b>2,814</b>	<b>1,043</b>	<b>3,947</b>	<b>6,752</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income	7	118	158	-	276	237
Charitable activities: Academy trust's educational operations	8	-	2,299	140	2,439	2,142
Governance costs	9	-	15	-	15	23
<b>TOTAL RESOURCES EXPENDED</b>	<b>6</b>	<b>118</b>	<b>2,472</b>	<b>140</b>	<b>2,730</b>	<b>2,402</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS</b>		<b>(28)</b>	<b>342</b>	<b>903</b>	<b>1,217</b>	<b>4,350</b>

**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

<b>Gross transfer between funds</b>	-	24	(24)	-	-
	(28)	366	879	1,217	4,350
Actuarial gains and losses on defined benefit pension schemes	-	(59)	-	(59)	(132)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>	(28)	307	879	1,158	4,218
<i>Total funds at 1 September 2013</i>	154	(146)	4,210	4,218	-
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>	126	161	5,089	5,376	4,218

All of the School's activities derive from continuing operations during the above two financial periods.

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

The notes on pages 24 to 43 form part of these financial statements.

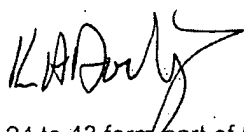
**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**  
Company Number: 08146452

	Note	£000	2014 £000	£000	2013 £000
<b>FIXED ASSETS</b>					
Tangible assets	13		4,851		4,210
<b>CURRENT ASSETS</b>					
Stocks	14	6		7	
Debtors	15	382		24	
Cash at bank		997		581	
		1,385		612	
<b>CREDITORS: amounts falling due within one year</b>	16	(191)		(65)	
<b>NET CURRENT ASSETS</b>			1,194		547
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,045		4,757
Defined benefit pension scheme liability	24		(669)		(539)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			5,376		4,218
<b>FUNDS OF THE SCHOOL</b>					
Restricted general funds:					
Restricted general funds	17	830		393	
Restricted fixed asset funds	17	5,089		4,210	
Restricted funds excluding pension liability		5,919		4,603	
Pension reserve		(669)		(539)	
Total restricted funds			5,250		4,064
Unrestricted funds	17		126		154
<b>TOTAL FUNDS</b>			5,376		4,218

The financial statements were approved by the Trustees, and authorised for issue, on 28/11/14 and are signed on their behalf, by:

Kevin Docherty  
Chair of Trustees



The notes on pages 24 to 43 form part of these financial statements.

**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	19	391	360
Returns in investment and servicing of finance		1	-
Capital expenditure and financial investment	20	24	(16)
Cash transferred on conversion to an academy trust		-	237
<b>INCREASE IN CASH IN THE YEAR</b>		<b>416</b>	<b>581</b>

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

	2014 £000	2013 £000
Increase in cash in the year	416	581
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>416</b>	<b>581</b>
Net funds at 1 September 2013	581	-
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>997</b>	<b>581</b>

The notes on pages 24 to 43 form part of these financial statements.

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School 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.

**1.3 Incoming resources**

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

**Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**Sponsorship income**

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**Donated services and gifts in kind**

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

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**Donations**

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

**Other Income**

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.

**School trips and activities**

These transactions are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward within restricted funds until the trip or activity is completed.

**Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

**1.4 Resources expended**

All 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.

**Cost of generating funds**

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

**Charitable activities**

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

**Governance costs**

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

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 School's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	30 years straight line
Office equipment	-	3 years straight line
Computer equipment	-	3 years straight line

**1.6 Operating leases**

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

**1.7 Stocks**

Unsold uniforms are valued at the lower of cost and net realisable value.

**1.8 Taxation**

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

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**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**1.10 Pensions**

Retirement benefits to employees of the School 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 School.

**Teachers' Pension Scheme**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 School 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.

**Local Government Pension Scheme**

The LGPS is a funded scheme and the assets are held separately from those of the School 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.

# CASTLEVIEW SCHOOL

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

### 2. VOLUNTARY INCOME

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Donated assets from local authority	-	556	556	-
Donated assets from predecessor School	-	-	-	4,301
Predecessor School surplus	-	-	-	237
Predecessor School LGPS pension deficit	-	-	-	(371)
	<u>-</u>	<u>556</u>	<u>556</u>	<u>4,167</u>

### 3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Trips and activities	-	168	168	163
Other income	-	136	136	66
Catering income	89	-	89	81
	<u>89</u>	<u>304</u>	<u>393</u>	<u>310</u>

### 4. INVESTMENT INCOME

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Interest receivable	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

CASTLEVIEW SCHOOL

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014

5. FUNDING FOR SCHOOL'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,152	2,152	2,005
Capital grants - DFC	-	10	10	10
ACMF	-	477	477	-
Other DfE/EFA grants	-	46	46	20
	-	2,685	2,685	2,035
Other government grants				
Local authority grants	-	312	312	240
	-	312	312	240
Total	-	2,997	2,997	2,275

6. RESOURCES EXPENDED

	Staff costs 2014 £000	Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Costs of activities for generating funds	54	222	276	237
Costs of generating funds	54	222	276	237
Direct costs	1,617	295	1,912	1,668
Support costs	296	206	502	456
Pension finance costs	-	25	25	18
Charitable activities	1,913	526	2,439	2,379
Governance	-	15	15	23
	1,967	763	2,730	2,402

**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**7. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Trips and activities	-	158	158	147
Catering	118	-	118	90
	<u>118</u>	<u>158</u>	<u>276</u>	<u>237</u>

**8. CHARITABLE ACTIVITIES**

	Total funds 2014 £000	Total funds 2013 £000
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support staff costs	1,617	1,389
Depreciation	140	117
Technology costs	30	66
Educational supplies	57	38
Staff development	40	23
Educational consultancy	28	35
	<u>1,912</u>	<u>1,668</u>

**SUPPORT COSTS - EDUCATIONAL OPERATIONS**

Support staff costs	296	217
Recruitment and support	3	5
Maintenance of premises and equipment	69	108
Cleaning	41	52
Rent and rates	12	9
Energy costs	28	23
Insurance	16	16
Security and transport	2	3
Other support costs	35	23
	<u>502</u>	<u>456</u>
Interest costs on pension obligation	41	27
Expected return on plan assets	(16)	(9)
	<u>25</u>	<u>18</u>

2,439 2,142

**CASTLEVIEW SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**9. GOVERNANCE COSTS**

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Auditor's remuneration	-	8	8	8
Auditor's non audit costs	-	3	3	2
Legal and professional fees	-	4	4	13
	<u>-</u>	<u>15</u>	<u>15</u>	<u>23</u>

**10. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	1,618	1,377
Social security costs	101	86
Other pension costs (Note 24)	248	181
	<u>1,967</u>	<u>1,644</u>

**CASTLEVIEW SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**10. STAFF (continued)**

**b. Staff numbers**

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

	2014 No.	2013 No.
Teachers	28	21
Administration Support	43	30
Management	6	3
	<u>77</u>	<u>54</u>

**c. Higher paid staff**

The number of employees whose emoluments (excluding employer's pension contributions) fell within the following bands was:

	2014 No.	2013 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	<u>1</u>	<u>-</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, the pension contributions amounted to £10,292 (2013: £9,159).

**11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

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

	2014 £000	2013 £000
C Beynon (Governor and Headteacher)	80-85	70-75
C Nolder (Staff Governor)	40-45	40-45
C Bird (Staff Governor)	0-5	15-20
D Kirby (Staff Governor)	5-10	-

During the period ended 31 August 2014, travel and subsistence expenses totalling £274 (2013: £80) was reimbursed to one trustee.

Other related party transactions involving the trustees are set out in note 27.

# CASTLEVIEW SCHOOL

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## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

### 12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £880. The cost of this insurance is included in the total insurance cost.

### 13. TANGIBLE FIXED ASSETS

	Land and Freehold property	Building Improve- ments	Fixtures and fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2013	4,301	-	2	24	4,327
Additions	556	168	17	40	781
At 31 August 2014	4,857	168	19	64	5,108
<b>Depreciation</b>					
At 1 September 2013	113	-	-	4	117
Charge for the year	113	-	6	21	140
At 31 August 2014	226	-	6	25	257
<b>Net book value</b>					
At 31 August 2014	<u>4,631</u>	<u>168</u>	<u>13</u>	<u>39</u>	<u>4,851</u>
At 31 August 2013	<u>4,188</u>	<u>-</u>	<u>2</u>	<u>20</u>	<u>4,210</u>

The cost of the land and property brought forward relates to the value on transfer of the land and buildings when the School became an Academy on 1 September 2012. The property valuation was carried out by Jackie Nickson MRICS, RICS registered valuer from DVS Property Specialists for Public Sector as at 1 September 2012. The valuation has been made in accordance with Practice Statements in the RICS Valuation Standards. Included within freehold property is non-depreciated land of £924,000

The addition of £556,000 relates to additional classrooms provided by Slough Borough Council free of charge. The cost of the buildings has been shown as a fixed asset and the value of the donated classrooms has been shown as a donation within restricted fixed assets funds.

### 14. STOCKS

	2014 £000	2013 £000
Clothing	<u>6</u>	<u>7</u>

**CASTLEVIEW SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**15. DEBTORS**

	2014 £000	2013 £000
Trade debtors	6	4
VAT recoverable	96	11
Prepayments and accrued income	280	9
	<u>382</u>	<u>24</u>

**16. CREDITORS:**

	2014 £000	2013 £000
Trade creditors	35	(2)
Other taxation and social security	29	30
Accruals and deferred income	127	37
	<u>191</u>	<u>65</u>

**17. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Carried Forward £000
<b>Restricted funds</b>					
General Annual Grant (i)	300	2,152	(1,756)	24	720
Pupil Premium	-	36	(31)	-	5
PE Grant	-	10	(8)	-	2
Other Government grants	-	312	(312)	-	-
Other incoming resources	-	136	(136)	-	-
Private (ii)	93	168	(158)	-	103
	<u>393</u>	<u>2,814</u>	<u>(2,401)</u>	<u>24</u>	<u>830</u>
Pensions Reserve	(539)	-	(71)	(59)	(669)
Total restricted general funds	<u>(146)</u>	<u>2,814</u>	<u>(2,472)</u>	<u>35</u>	<u>161</u>

**CASTLEVIEW SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**17. STATEMENT OF FUNDS (CONTINUED)**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Carried Forward £000
<b>Restricted fixed asset funds (iii)</b>					
DfE/EFA capital grants	8	10	-	(18)	-
ACMF	-	477	-	-	477
Donation	4,188	556	(140)	-	4,604
Capital expenditure from GAG	14	-	-	(6)	8
	<u>4,210</u>	<u>1,043</u>	<u>(140)</u>	<u>(24)</u>	<u>5,089</u>
<b>Total restricted funds</b>	<u>4,064</u>	<u>3,857</u>	<u>(2,612)</u>	<u>(59)</u>	<u>5,250</u>
<b>Unrestricted funds</b>					
General funds (iv)	154	90	(118)	-	126
	<u>154</u>	<u>90</u>	<u>(118)</u>	<u>-</u>	<u>126</u>
<b>Total of funds</b>	<u>4,218</u>	<u>3,947</u>	<u>(2,730)</u>	<u>(59)</u>	<u>5,376</u>

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

- (i) General Annual Grant must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.
- (ii) Private funds consist of income received from pupils for specific trips and activities.
- (iii) Restricted fixed asset fund represents the transfer of the School's premises and other fixed assets from the Foundation to the Academy Trust, including associated depreciation. It also includes assets funded by capital grants and donations including associated depreciation.
- (iv) General funds include funds transferred on conversion to an academy and income generated from operations such as catering.

**CASTLEVIEW SCHOOL**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

	Unrestricted funds 2014 £000	Restricted general funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	4,851	4,851	4,210
Current assets	126	1,021	238	1,385	612
Creditors due within one year	-	(191)	-	(191)	(65)
Pension scheme liability	-	(669)	-	(669)	(539)
	<u>126</u>	<u>161</u>	<u>5,089</u>	<u>5,376</u>	<u>4,218</u>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £000	2013 £000
Net incoming resources before revaluations and interest	1,217	4,350
Return of investments	(1)	-
Donation of land and buildings	(556)	(4,301)
Transfer of cash on conversion	-	(237)
Depreciation of tangible fixed assets	140	117
Capital grants from DfE	(487)	(10)
Decrease/(Increase) in stocks	1	(7)
Increase in debtors	(120)	(24)
Increase in creditors	126	65
Transfer in of pension scheme liability	-	371
FRS 17 pension finance costs	25	18
FRS 17 pension costs less contributions payable	46	18
<b>Net cash inflow from operations</b>	<u>391</u>	<u>360</u>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £000	2013 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(225)	(26)
Capital grants from DfE	249	10
<b>Net cash inflow/(outflow) capital expenditure</b>	<u>24</u>	<u>(16)</u>

**CASTLEVIEW SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	581	416	-	997
Net funds	581	416	-	997

**22. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay to the DfE (also known as the Department for Education) the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the DfE.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**23. CAPITAL COMMITMENTS**

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

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	172	-

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**24. PENSION COMMITMENTS**

The School'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 The Royal Borough of Windsor and Maidenhead. 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 2004 and of the LGPS 31 August 2014.

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**24. PENSION COMMITMENTS (continued)**

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**Teachers' Pension Scheme Changes**

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

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

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

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

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

# CASTLEVIEW SCHOOL

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## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

### 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 School is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School 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 2014 was £104,000, of which employer's contributions totalled £76,000 and employees' contributions totalled £28,000. The agreed contribution rates for future years are 16.6% for employers and 5.5% - 12.5% (depending on their salary) for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of School closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.70	213	6.30	110
Other bonds	3.60	74	4.40	55
Property	5.90	61	4.30	24
Gilts	3.00	5	3.50	3
Cash	2.90	17	0.50	3
Alternative assets	0.00	-	4.70	68
Target Return Portfolio	6.70	84	0.00	-
Commodities	6.70	43	0.00	-
Infrastructure	3.60	22	0.00	-
Longevity Insurance	2.90	(18)	0.00	-
<b>Total market value of assets</b>		<b>501</b>		<b>263</b>
<b>Present value of scheme liabilities</b>		<b>(1,170)</b>		<b>(802)</b>
<b>Deficit in the scheme</b>		<b>(669)</b>		<b>(539)</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. PENSION COMMITMENTS (continued)**

The below basis was adopted to determine the overall expected rate of return on the major categories of scheme assets:

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period( i.e. As at 1 September 2013 for the year to 31 August 2014).

The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on the equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £30,000 (2013: £17,000).

The amounts recognised in the Balance sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(1,170)	(802)
Fair value of scheme assets	<u>501</u>	<u>263</u>
Net liability	<u>(669)</u>	<u>(539)</u>

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

	2014 £000	2013 £000
Current service cost	(122)	(79)
Interest on obligation	(41)	(27)
Expected return on scheme assets	<u>16</u>	<u>9</u>
Total	<u>(147)</u>	<u>(97)</u>

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

	2014 £000	2013 £000
Opening defined benefit obligation	802	531
Current service cost	122	79
Interest cost	41	27
Contributions by scheme participants	28	23
Actuarial Losses	<u>177</u>	<u>142</u>
Closing defined benefit obligation	<u>1,170</u>	<u>802</u>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. PENSION COMMITMENTS (continued)**

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

	2014 £000	2013 £000
Opening fair value of scheme assets	263	160
Expected return on assets	16	9
Actuarial gains and (losses)	118	10
Contributions by employer	76	61
Contributions by employees	28	23
	<u>501</u>	<u>263</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £191,000 (2013: £132,000).

The School expects to contribute £80,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	3.90%	4.70%
Rate of increase in salaries	4.50%	4.85%
Rate of increase for pensions in payment / inflation	2.70%	2.90%
Inflation assumption (CPI)	2.70%	2.90%
Inflation assumptions (RPI)	3.50%	3.70%

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

	2014	2013
Retiring today		
Males	22.7	23.1
Females	26.0	25.7
Retiring in 20 years		
Males	24.9	25.1
Females	28.3	27.6

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000
Defined benefit obligation	(1,170)	(802)
Scheme assets	<u>501</u>	<u>263</u>
Deficit	<u>(669)</u>	<u>(539)</u>
Experience adjustments on scheme liabilities	(166)	(142)
Experience adjustments on scheme assets	<u>118</u>	<u>10</u>

**25. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Between 2 and 5 years	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>

**26. MEMBERS' LIABILITY**

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

**27. RELATED PARTY TRANSACTIONS**

Owing to the nature of the School'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 School's financial regulations and normal procurement procedures.

There were no such transactions requiring disclosure.

**28. EVENTS AFTER THE BALANCE SHEET**

There are no subsequent events to report.