
CASTLE DONINGTON COLLEGE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs R Wykes, Chair of Governors (appointed Chair 9 September 2019) Mrs J Lawrence, Vice Chair Mr S Haberfield, Co-opted Governor
Governors	Mr M Graham, Parent Governor Mrs M Graham, Co-opted Governor (resigned 10 September 2019) Mrs K Henry, Governor Dr W Smith, Parent Governor Mr T Hallam, Staff Governor Mr M Goldring, LA Governor Mr J Barnard, Staff Governor Mrs J Sheppard, Principal, ex-officio Mrs K Eaton, Staff Governor Dr R Mitchell, Governor (resigned as Chair 9 September 2019) Mrs Lisa Thorpe, Governor (appointed 9 December 2019) Mr David Sanderson, Parent Governor (appointed 9 December 2019)
Company registered number	08203218
Company name	Castle Donington College
Principal and registered office	Castle Donington College Mount Pleasant Castle Donington Leicestershire DE74 2LN
Company secretary	Mr S Haberfield
Senior management team	Mrs J Sheppard, Principal Mr N Barratt, Vice Principal Mr B Wilkinson, Asst. Principal Mr J Barnard, Business Manager
Independent auditors	Bates Weston Audit Ltd Statutory Auditors Chartered Accountants The Mills Canal Street Derby DE1 2RJ
Bankers	Natwest 7 Hinckley Road Leicester LE3 0TQ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors	Nelsons Law Provincial House 37 New Walk Leicester LE1 6TU
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CASTLE DONINGTON COLLEGE
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Governors of Castle Donington College are also the directors of the charitable company for the purposes of company law.

The charitable company is known as .

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

A full insurance indemnity is taken out with the Academy's insurance company covering all members. The policy provides an aggregate cover up to £3,000,000 and is reviewed annually.

d. Policies adopted for the induction and training of Governors

The Governing Board and Principal believe it is essential that all new Governors receive a comprehensive induction package covering a broad range of issues and topics. The College Governing Board are all committed to ensure that new Governors are given the necessary information and support to fulfil their role with confidence. They see this as an investment, leading to more effective governance and retention of Governors. The Governing Board want to make new Governors welcome and effective in their role.

New Governors will:

- Be welcomed to the Governing Board by the Chair
- Be invited by the Principal to visit the College to experience its ethos and understand the values
- Have the opportunity to tour the College to meet with staff and pupils
- Have the opportunity to meet with an existing governor who will then act as mentor
- Be encouraged to join committee/s of their choice
- Be given background material on the College and current issues
- Be encouraged to access training including induction training for Governors

New Governors will receive and be encouraged to read:

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

- The Department of Education and Skill's 'Guide to the Law for Governors'
- Governance handbook for academies, multi academy trusts and maintained schools (March 2019)
- College website as this will contain a large amount of information about the College
- Recent Ofsted Reports and Action Plan
- College Improvement Plan
- Last Principal's report to Governing Board
- Dates of forthcoming Governor Board meetings

Castle Donington College is a member of the National Governors Association and the Leicestershire Governors Development Service, both of which provide extensive advice, information and training including new Governor Induction.

e. Organisational structure

The Governing Board's role in the College is to set the strategic framework and ensure all statutory duties are met. The Governing Board ensures the College has a clear vision and a strategy for achieving its vision, including a robust framework for setting priorities, creating accountability and monitoring progress. This is reviewed continually within the financial framework

To facilitate this, the working Governing Board has delegated some of its functions to two committees, the Principal and the Senior Leadership Team.

The committees are:-

Resources Committee

Meet five times a year. Responsible for:

- revenue and capital income/expenditure
- setting and reviewing the budgets
- financial standards, staffing
- performance management
- staff discipline/capability
- premises
- Health & Safety
- Internal audit and scrutiny

Teaching, Learning and Assessment Committee

Meet each term before every full Governing Board meeting responsible for:

- the progress and attainment of all pupils and groups of pupils
- the quality of teaching and learning
- quality assurance procedures
- the curriculum
- safeguarding
- pupils' personal development and behaviour
- pupils' attendance

There are three additional sub committees called as an when required

- Pay Committee

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

- Pupil Disciplinary
- Staff Disciplinary

The Principal is responsible for monitoring monthly expenditure, miscellaneous financial decisions and entering into contracts/agreements provided that they are under £5,000; appointments, disciplinary, dismissal, suspension and performance management of staff; establishing and implementing the curriculum policy, standards of teaching, safeguarding; premises, safety/well being of all users and ensuring health and safety regulations are followed.

f. Arrangements for setting pay and remuneration of key management personnel

The Academy Trust recognises it's responsibility to:

- Adopt a Pay Policy to provide a clear framework for the management of pay and grading issues for all staff employed in the school.
- Take decisions in accordance with key principles of public life (Nolan), including objectivity, openness and accountability.
- Ensure fair and transparent policy to determine the pay and grading for all staff employed in the school, which takes account of the conditions of service under which staff are employed.
- Comply with relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part time Workers (prevention of Less Favourable Treatment) Regulations 2000, the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.
- Adopt a whole-school approach to pay issues. Pay decisions will take account of the resources available to the school. The school staffing structure will support the school improvement plan. The Governing Board will exercise it's discretionary powers using fair, transparent and objective criteria in order to secure a consistent approach in school pay decisions.
- Ensure that all pay progression decisions for all teaching staff are linked to annual appraisal of performance and to ensure that this is achieved in a fair equitable and transparent way following consultation with staff and recognised trade unions.
- Ensure that every teacher's salary (including the salary of the Principal) is reviewed on an annual basis with effect from 1 September. The review will be completed no later than 31 October each academic year.

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %
 Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	- %

Objectives and activities

a. Objects and aims

Castle Donington College offers every student the best education in a safe and caring environment. The College prides itself on its inclusive culture where individuals are able to learn and achieve in order that they are well prepared for their next stage.

We aim for all our students to be:

- Inspired to achieve aspirational goals
- Engaged and motivated by a love of learning
- Resilient and able to rise to a range of academic and social challenges
- Respectful, responsible citizens, accountable for their actions
- Curious lifelong learners in all things
- Able to contribute positively to the wider curriculum and community
- Proud of theirs and others success and achievements

We seek to achieve this by:

- Ensuring high quality teaching and learning is our core purpose
- Delivering a broad and balanced curriculum
- Providing opportunities and experiences for all students through an imaginative enrichment and extra-curricular programme
- Having high expectations in all things for all members of the College Community
- Celebrating and valuing achievements and contributions to the College Community
- Promoting equality of access, opportunity and entitlement
- Caring for the moral and personal development of every student
- Providing a disciplined and stimulating learning environment
- Ensuring all students are safe and supported to learn and develop

b. Objectives, strategies and activities

The College has implemented a continuous programme of evaluation recorded in the Self Evaluation Form (SEF). Departments are also involved in an ongoing programme of self evaluation and review. Action points resulting from evaluation are reflected in the College Improvement Plan. Key priorities are identified and shared with all members of the College Community.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Key priorities agreed for 2019-20 are:

- Ensuring excellent outcomes for individuals and groups of students (progress and attainment)
- Ensure a well sequenced and coherent curriculum is in place for all pupils to access
- Develop teaching further across the College to ensure all teaching is good or better and no teaching is inadequate
- Ensure all children and in particular most able children are challenged appropriately
- Ensure greater consistency in the quality of Middle Leadership

c. Public benefit

The Trustees and Governors have complied with the duty in Section 4 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Trustees and Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. The premises are used on a regular basis by North West Leicestershire District Council to provide holiday clubs for children. Other fitness clubs, local sports teams and charitable groups regularly access the College premises.

Strategic report

Achievements and performance

a. Key performance indicators

The first set of examination results were received in August 2019. The College performed in line or above the national average in all key performance indicators and achieved a Progress 8 score of +0.28

In January 2019 the College was judged by OFSTED as a "Good" school overall.

b. Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

c. Fundraising activities / income generation

The College did not engage in any charitable fundraising for its own purposes. On several occasions' pupils of the College have made donations to external charities e.g. red nose day, in which case the College financial team managed the process and made payment direct to the charity having accounted for all donations made. Twice a term most students paid £1 for a non uniform day. This money was collected in a fund held by the College on behalf of the Student Council. The Student Council then decided how to spend these funds to benefit the daily experience of College life for the students. The Student Council also elected to make donations to external charities. All financial transactions relating to Student Council funds or donations for charities were handled and managed by the College financial team.

During the 2019-20 financial year there have been no complaints received relating to any of the activities.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

d. Site development

In 2018 one CIF grant was awarded to Castle Donington College for the upgrade to buildings in line with fire regulations. In 2019 two CIF grants were awarded to the College and implementation started during the summer break. One grant was for the replacement of external windows and doors; the second grant was for the refurbishment of external roofs.

No further site development during 2019-20.

Financial review

a. Reserves policy

The majority of income is from the ESFA in the form of recurrent grants. The grants are received on a monthly basis from the ESFA during the period 1 September 2019 to 31 August 2020 and the associated expenditure is shown in the statement of financial activities.

Within total reserves, the College holds £24,270 GAG funding and £128,948 of unrestricted funds. Further details are set out in note 18.

b. Investment policy

At this moment in time the College has no investments. It is continually reviewing bank balances with their main bankers to ensure funds are obtaining best day to day interest available in the short term.

c. Principal risks and uncertainties

The Governors have assessed the major risks to which the College is exposed, in particular those relating to specific teaching areas, provision of facilities and other operational areas of the College, and its finances. This has resulted in a Risk Management Register which is reviewed annually. A review of finances takes place monthly. In addition, we are compliant with the current Academies Financial Handbook and the ESFA SFVS, which was accepted when the College became an academy in October 2012.

All permanent staff, supply staff, contractors/visitors and volunteers are vetted before entering the building. Staff have been issued with a blue identification badge, visitors who hold a DBS are issued with a green badge and non-DBS visitors are issued with a red badge and must be accompanied by a member of staff at all times. The College also have an electronic door access system in order to increase the safety of all users of the College.

The Governors are aware of the risks that the College faces in the short/medium term. These are:

- Pupil numbers – impact on ESFA funding
- New national funding agreements
- Public Sector Pay decisions
- Success of capital building projects
- Introduction of KS4 curriculum and impact of Age Range Change
- Covid 19

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Financial risk management objectives and policies

The College has a Risk Register; the risk areas to the College are listed below.

- Student Learning
- Student Engagement and Well being
- Student Pathways and Transition
- Small School
- Succession Planning
- Workforce Planning
- Occupational Health & Safety
- Well being and Safety within College Grounds
- Well being and Safety outside College Grounds
- Financial Performance
- Infrastructure
- School Community
- Emergency Response
- Information security / Accessibility
- Fraud / Corruption risk

Plans for future periods

Castle Donington College has completed the process of converting to an 11-16 College with the first Year 11 cohort sitting public examinations in August 2019

Projected numbers show a gradually increasing pupil population of 6% over the next 3 years. Additional accommodation will be necessary when pupil numbers approach 629. Plans for this are underway. Potential housing growth in the locality may result in a more urgent need for expansion and/or capital projects.

Funds held as custodian on behalf of others

The College does not hold such funds.

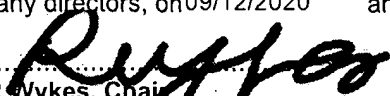
Disclosure of information to auditors

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Board, as the company directors, on 09/12/2020 and signed on its behalf by:

.....
Mrs R Wykes, Chair



CASTLE DONINGTON COLLEGE
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Castle Donington College 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The governing body has formally met 11 times during the year.

Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Mr M Graham, Parent Governor	7	8
Mrs M Graham, Co-opted Governor	1	8
Mrs K Henry, Governor	5	8
Dr W Smith, Parent Governor	4	8
Mr T Hallam, Staff Governor	2	3
Mr M Goldring, LA Governor	5	8
Mr J Barnard, Staff Governor	6	8
Mrs J Sheppard, Principal, ex-officio	8	10
Mrs K Eaton, Staff Governor	3	4
Dr R Mitchell, Governor	8	8
Mrs Lisa Thorpe, Governor	4	5
Mr David Sanderson, Parent Governor	4	5
MR S Haberfield, Co-opted Governor	5	8
Mrs R Wykes, Parent Governor	5	6

Additional Governor meetings were held during the year including two committees. Resources and Teaching, Learning and Assessment. Their terms of reference were agreed at the start of the year. All committee meeting minutes are recorded and stored for reference. All reports from committees are reported to the full Governing Board.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by.

a. Improving educational results

Excellent tracking systems record all aspects of student progress throughout the College and ensure that interventions and support are targeted to achieve best value.

Regular review of curriculum and associated staffing structures to ensure staff are efficiently deployed, appropriately qualified and are specialist in their area.

Intervention is closely matched to need by implementation of targeted support in key curriculum areas

b. Ensuring robust Governance and oversight of finances:

The Governing Board acknowledged overall responsibility for ensuring effective and appropriate structures and systems of financial control, based on a framework of regular management information and administrative procedures including the separation of duties and a system of delegation and accountability.

The Governing Board ensure that comprehensive budgeting and monitoring systems exist and approve the annual budget

The Governing Board have agreed to the external appointed auditors to provide necessary assurances.

Leadership and Management was rated 'Good' in the most recent OFSTED report January 2019.

c. Ensuring value for money purchasing of resources

Promoting fair competition through quotations and tenders in accordance with the College's financial policies to ensure goods and services are secured in the most economical way.

Regular review of contracts with service providers to ensure they are fit for a purpose and provide value.

Reducing our energy costs through effective management of site to ensure it is as energy efficient as possible.

d. Improving income generation

Regular review of letting's and hire of the site.

Identifying and exploring new opportunities to generate income through increased hire of site.

e. Reviewing controls and monitoring risks

Undertaking financial risk assessments based on potential risks ensuring key controls are in place to reduce risk.

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GOVERNANCE STATEMENT (CONTINUED)

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 Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castle Donington College for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme's
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Governors has decided that an in-house programme of internal scrutiny will be carried out from 2020-21 and directed by the resources committee.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems.

On an annual basis, the reviewer reports to the Governing Board through the resources committee on the operation of the systems of control and on the discharge of the Governing Boards' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

It was decided by the Board of Governors that a programme of internal scrutiny would not be carried out for the 19-20 year as the work required would be impractical to carry out given current restrictions surrounding COVID-19. The external auditor did however perform a programme of internal scrutiny at the beginning of the academic year, which was prior to the engagement being prohibited by the revised FRC Ethical Standard for Auditors, effective from 15 March 2020.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 09/12/2020
by:

and signed on their behalf



Mrs R Wykes
Chair of Governors



Mrs J Sheppard
Accounting Officer

CASTLE DONINGTON COLLEGE
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Castle Donington College I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.

Julie Sheppard

.....
Mrs J Sheppard
Accounting Officer
Date: 09/12/2020

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governing Board on 09/12/2020

and signed on its behalf by:



Mrs R Wykes
Chair of Governors

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CASTLE DONINGTON COLLEGE**

Opinion

We have audited the financial statements of Castle Donington Collège (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CASTLE DONINGTON COLLEGE (CONTINUED)**

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CASTLE DONINGTON COLLEGE (CONTINUED)**

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wayne Thomas ACA (Senior Statutory Auditor)

for and on behalf of

Bates Weston Audit Ltd

Statutory Auditors

Chartered Accountants

The Mills

Canal Street

Derby

DE1 2RJ

Date: 25 January 2021

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CASTLE
DONINGTON COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle Donington College during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Castle Donington College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Castle Donington College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Castle Donington College and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Castle Donington College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Castle Donington College's funding agreement with the Secretary of State for Education dated 1 October 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CASTLE
DONINGTON COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wayne Thomas ACA (Senior Statutory Auditor)
For and on behalf of
Bates Weston Audit Ltd
Statutory Auditors
Chartered Accountants
The Mills
Canal Street
Derby
DE1 2RJ

Date: **25 January 2021**

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	194,792	194,792	240,537
Charitable activities		-	3,106,693	-	3,106,693	2,778,684
Other trading activities		39,028	-	-	39,028	62,758
Investments	6	754	-	-	754	728
Total income		39,782	3,106,693	194,792	3,341,267	3,082,707
Expenditure on:						
Charitable activities	8	-	3,148,892	77,675	3,226,567	3,030,443
Total expenditure		-	3,148,892	77,675	3,226,567	3,030,443
Net income/(expenditure)		39,782	(42,199)	117,117	114,700	52,264
Transfers between funds	18	(21,039)	1,122	19,917	-	-
Net movement in funds before other recognised gains/(losses)		18,743	(41,077)	137,034	114,700	52,264
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	62,000	-	62,000	(213,000)
Net movement in funds		18,743	20,923	137,034	176,700	(160,736)
Reconciliation of funds:						
Total funds brought forward		110,205	(999,000)	3,790,706	2,901,911	3,062,647
Total funds carried forward		128,948	(978,077)	3,927,740	3,078,611	2,901,911

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 46 form part of these financial statements.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 08203218

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	3,943,982	3,828,948
		<u>3,943,982</u>	<u>3,828,948</u>
Current assets			
Debtors	15	28,359	61,227
Cash at bank and in hand		362,417	292,816
		<u>390,776</u>	<u>354,043</u>
Creditors: amounts falling due within one year	16	(192,354)	(252,999)
Net current assets		<u>198,422</u>	<u>101,044</u>
Total assets less current liabilities		<u>4,142,404</u>	<u>3,929,992</u>
Creditors: amounts falling due after more than one year	17	(23,793)	(29,081)
Net assets excluding pension liability		<u>4,118,611</u>	<u>3,900,911</u>
Defined benefit pension scheme liability	25	(1,040,000)	(999,000)
Total net assets		<u><u>3,078,611</u></u>	<u><u>2,901,911</u></u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 08203218

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	3,927,740	3,790,706
Restricted income funds	18	(978,077)	(999,000)
Total restricted funds	18	2,949,663	2,791,706
Unrestricted income funds	18	128,948	110,205
Total funds		3,078,611	2,901,911

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 46 were approved and authorised for issue by the Governors and are signed on their behalf, by:



Mrs R Wykes, Chair

Date: 09/12/2020

The notes on pages 25 to 46 form part of these financial statements.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	69,358	(131,028)
Cash flows from investing activities	21	243	(35,302)
Change in cash and cash equivalents in the year		69,601	(166,330)
Cash and cash equivalents at the beginning of the year		292,816	459,146
Cash and cash equivalents at the end of the year	22, 23	<u>362,417</u>	<u>292,816</u>

The notes on pages 25 to 46 form part of these financial statements

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the Academy has provided the goods or services.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Taxation

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

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £10,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

write off the cost of each asset, less their estimated residual value, over their expected useful life as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 1% on cost (excluding land)
Computer equipment	- 25% on cost
Improvements to Leasehold Property	- 4% on cost

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not

CASTLE DONINGTON COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital Grants	194,792	194,792	240,537
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	240,537	240,537	
	<hr/>	<hr/>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rates reimbursement	13,205	13,205	12,917
General Annual Grant (GAG)	2,728,730	2,728,730	2,556,774
Pupil premium (disadvantaged pupils)	88,045	88,045	75,705
Insurance reimbursements	46,667	46,667	12,133
Other grants and payments	214,886	214,886	99,727
Parental contributions towards educational trips	15,160	15,160	21,428
Total 2020	<u>3,106,693</u>	<u>3,106,693</u>	<u>2,778,684</u>
<i>Total 2019</i>	<u>2,778,684</u>	<u>2,778,684</u>	

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Local council partnership	18,406	18,406	22,622
Contributions to educational expenditure	18,649	18,649	33,356
Hire of facilities	1,973	1,973	6,485
Sundry income	-	-	295
Total 2020	<u>39,028</u>	<u>39,028</u>	<u>62,758</u>
<i>Total 2019</i>	<u>62,758</u>	<u>62,758</u>	

CASTLE DONINGTON COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	754	754	728
<i>Total 2019</i>	728	728	

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational Operations:					
Direct costs	2,067,958	-	120,163	2,188,121	2,035,721
Support costs	498,550	221,417	318,479	1,038,446	994,722
Total 2020	2,566,508	221,417	438,642	3,226,567	3,030,443
<i>Total 2019</i>	2,362,350	190,474	477,619	3,030,443	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	3,226,567	3,226,567	3,030,443
<i>Total 2019</i>	3,030,443	3,030,443	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	2,188,121	1,038,446	3,226,567	3,030,443
<i>Total 2019</i>	<i>2,035,721</i>	<i>994,722</i>	<i>3,030,443</i>	

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,067,958	2,067,958	1,891,286
Educational supplies and examinations	65,383	65,383	50,571
Staff development	8,422	8,422	10,197
Technology costs	20,960	20,960	36,761
Travel, subsistence and educational visits	25,398	25,398	46,906
	2,188,121	2,188,121	2,035,721
<i>Total 2019</i>	<i>2,035,721</i>	<i>2,035,721</i>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations	Total funds	Total funds 2019
	£	£	£
Staff costs	498,550	498,550	471,064
Depreciation	77,675	77,675	57,997
Recruitment	348	348	346
Maintenance of premises	36,162	36,162	41,909
Rates and utilities	52,779	52,779	54,145
Insurance	18,703	18,703	18,368
Technology costs	36,639	36,639	35,508
Equipment	10,450	10,450	11,812
Printing, postage and stationery	8,986	8,986	11,716
Bought in services	112,023	112,023	112,126
Other support costs	73,633	73,633	72,578
Governance costs	9,498	9,498	9,153
Other pension costs	103,000	103,000	98,000
	<u>1,038,446</u>	<u>1,038,446</u>	<u>994,722</u>
<i>Total 2019</i>	<u>994,722</u>	<u>994,722</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease payments	16,050	21,200
Auditors remuneration- audit	6,200	5,825
Depreciation of tangible fixed assets:		
- owned by the charity	<u>77,962</u>	<u>57,997</u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,935,467	1,846,223
Social security costs	180,472	178,283
Pension costs	450,569	337,844
	<u>2,566,508</u>	<u>2,362,350</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	32	34
Administration and Support	36	36
Management	4	4
	<u>72</u>	<u>74</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £326,752 (2019 £298,028).

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Governors' remuneration and expenses

One or more Governors have been paid remuneration or has received other benefits from an employment with the Academy. The principal and other Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020 £	2019 £
Mrs J Sheppard, Principal, ex-officio	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000
Mr J Barnard, Staff Governor	Remuneration	55,000 -	50,000 -
		60,000	55,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs K Eaton, Staff Governor	Remuneration	50,000 -	45,000 -
		55,000	50,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Mr T Hallam, Staff Governor	Remuneration	40,000 -	35,000 -
		45,000	40,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000

During the year ended 31 August 2020, no Governors expenses have been incurred (2019 - £NIL).

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to an unlimited amount (2019 - £2,000,000) on any one claim. The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Improvements to Leasehold Property £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	2,911,300	1,127,802	41,847	4,080,949
Additions	-	172,791	19,917	192,708
At 31 August 2020	2,911,300	1,300,593	61,764	4,273,657

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets (continued)

	Long-term leasehold property £	Improvements to Leasehold Property £	Computer equipment £	Total £
Depreciation				
At 1 September 2019	99,491	142,607	9,903	252,001
Charge for the year	14,213	49,639	13,822	77,674
At 31 August 2020	<u>113,704</u>	<u>192,246</u>	<u>23,725</u>	<u>329,675</u>
Net book value				
At 31 August 2020	<u>2,797,596</u>	<u>1,108,347</u>	<u>38,039</u>	<u>3,943,982</u>
At 31 August 2019	<u>2,811,809</u>	<u>985,195</u>	<u>31,944</u>	<u>3,828,948</u>

15. Debtors

	2020 £	2019 £
Due within one year		
VAT recoverable	9,484	31,722
Prepayments and accrued income	18,875	29,505
	<u>28,359</u>	<u>61,227</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	43,864	43,818
Other creditors	82,131	72,527
Accruals and deferred income	66,359	136,654
	<u>192,354</u>	<u>252,999</u>

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17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	<u>23,793</u>	<u>29,081</u>

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	110,205	39,782	-	(21,039)	-	128,948
Restricted general funds						
General annual grant	-	2,728,730	(2,704,460)	-	-	24,270
Other DfE/ESFA Grants	-	316,136	(316,136)	-	-	-
Other funding	-	61,827	(25,296)	1,122	-	37,653
Pension reserve	(999,000)	-	(103,000)	-	62,000	(1,040,000)
	<u>(999,000)</u>	<u>3,106,693</u>	<u>(3,148,892)</u>	<u>1,122</u>	<u>62,000</u>	<u>(978,077)</u>
Restricted fixed asset funds						
Transfer on conversion	2,811,809	-	(14,213)	-	-	2,797,596
DfE Group Capital Grants	970,320	194,792	(49,640)	-	-	1,115,472
Capital expenditure from GAG	8,577	-	(13,822)	19,917	-	14,672
	<u>3,790,706</u>	<u>194,792</u>	<u>(77,675)</u>	<u>19,917</u>	<u>-</u>	<u>3,927,740</u>
Total Restricted funds	<u>2,791,706</u>	<u>3,301,485</u>	<u>(3,226,567)</u>	<u>21,039</u>	<u>62,000</u>	<u>2,949,663</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total funds	2,901,911	3,341,267	(3,226,567)	-	62,000	3,078,611

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

Restricted funds

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

The pension reserve included within restricted funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	115,360	63,486	-	(68,641)	-	110,205
Restricted general funds						
General annual grant	-	2,556,774	(2,626,231)	69,457	-	-
Other DfE/ESFA Grants	-	200,482	(200,482)	-	-	-
Other funding	-	21,428	(20,612)	(816)	-	-
Pension reserve	(688,000)	-	(98,000)	-	(213,000)	(999,000)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
	<u>(688,000)</u>	<u>2,778,684</u>	<u>(2,945,325)</u>	<u>68,641</u>	<u>(213,000)</u>	<u>(999,000)</u>
Restricted fixed asset funds						
Transfer on conversion	2,826,022	-	(14,213)	-	-	2,811,809
DfE Group Capital Grants	795,405	240,537	(65,622)	-	-	970,320
Capital expenditure from GAG	13,860	-	(5,283)	-	-	8,577
	<u>3,635,287</u>	<u>240,537</u>	<u>(85,118)</u>	<u>-</u>	<u>-</u>	<u>3,790,706</u>
Total Restricted funds	<u>2,947,287</u>	<u>3,019,221</u>	<u>(3,030,443)</u>	<u>68,641</u>	<u>(213,000)</u>	<u>2,791,706</u>
Total funds	<u>3,062,647</u>	<u>3,082,707</u>	<u>(3,030,443)</u>	<u>-</u>	<u>(213,000)</u>	<u>2,901,911</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,943,982	3,943,982
Current assets	316,014	61,923	12,839	390,776
Creditors due within one year	(187,066)	-	(5,288)	(192,354)
Creditors due in more than one year	-	-	(23,793)	(23,793)
Provisions for liabilities and charges	-	(1,040,000)	-	(1,040,000)
Total	128,948	(978,077)	3,927,740	3,078,611

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,828,948	3,828,948
Current assets	266,944	-	87,099	354,043
Creditors due within one year	(156,739)	-	(96,260)	(252,999)
Creditors due in more than one year	-	-	(29,081)	(29,081)
Provisions for liabilities and charges	-	(999,000)	-	(999,000)
Total	110,205	(999,000)	3,790,706	2,901,911

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	114,700	52,264
Adjustments for:		
Depreciation charges	77,674	57,997
Capital grants from DfE and other capital income	(192,197)	(207,333)
Dividends, interest and rents from investments	(754)	(728)
Defined benefit pension scheme cost less contributions payable	84,000	78,000
Defined benefit pension scheme finance cost	19,000	20,000
Decrease/(Increase) in debtors	32,868	(17,973)
(Decrease)/Increase in creditors	(65,933)	(113,255)
Net cash provided by/(used in) operating activities	69,358	(131,028)

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	754	728
Purchase of tangible fixed assets	(192,708)	(243,363)
Capital grants from DfE Group	192,197	207,333
Net cash provided by/(used in) investing activities	243	(35,302)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	362,417	292,816
Total cash and cash equivalents	362,417	292,816

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	292,816	69,601	362,417
	<u>292,816</u>	<u>69,601</u>	<u>362,417</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Contracted for but not provided for in these financial statements	-	244,558
	<u>-</u>	<u>244,558</u>

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £51,034 were payable to the schemes at 31 August 2020 (2019 - £41,514) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried

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25. Pension commitments (continued)

out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay up to (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £329,784 (2019 - £228,744).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £149,000 (2019 - £135,000), of which employer's contributions totalled £121,000 (2019 - £109,000) and employees' contributions totalled £ 28,000 (2019 - £26,000). The agreed contribution rates for future years are 27 per cent for employers and 5.5-12.5 per cent for employees.

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

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.80	3.30
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.70	1.80

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25. Pension commitments (continued)

Commutation of pensions to lump sums	50.00	50.00
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The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.5%	242,000	234,000
Increase in salaries +0.5%	15,000	28,000
Pensions in payment/inflation +0.5%	223,000	202,000

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

	2020 £	2019 £
Equities	797,680	755,740
Corporate bonds	392,080	403,930
Property	108,160	104,240
Cash and other liquid assets	54,080	39,090
Total market value of assets	1,352,000	1,303,000

The actual return on scheme assets was £24,000 (2019 - £33,000).

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25. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	84,000	51,000
Past service cost	-	27,000
Interest income	(24,000)	(33,000)
Interest cost	43,000	53,000
Total amount recognised in the Statement of financial activities	103,000	98,000

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	2,302,000	1,813,000
Interest cost	43,000	53,000
Employee contributions	28,000	26,000
Actuarial (gains)/losses	(141,000)	256,000
Benefits paid	(45,000)	(33,000)
Total service cost	205,000	187,000
At 31 August	2,392,000	2,302,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	1,303,000	1,125,000
Interest income	24,000	33,000
Actuarial gains / (losses)	(79,000)	43,000
Employee contributions	28,000	26,000
Benefits paid	(45,000)	(33,000)
Employer contributions	121,000	109,000
At 31 August	1,352,000	1,303,000

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26. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable		
Within 1 year	15,590	16,150
Between 1 and 5 years	44,089	21,776
Later than 5 years	37,803	-
	<u>97,482</u>	<u>37,926</u>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

D Sanderson is a director of Kitronik Limited. During the year, the Academy purchased consumables totalling £971. No amounts are outstanding at the year end.

29. Controlling party

The ultimate controlling party of the Academy is the Board of Governors.