

Company Registration Number: 08203218 (England & Wales)

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Governors' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23 - 24
Statement of cash flows	25
Notes to the financial statements	26 - 48

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mrs R Wykes, Chair of Governors Mrs K Henry, Governor Dr R Mitchell, Governor Mr M Graham, Parent Governor Mr S Haberfield, Co-opted Governor
Governors	Mrs R Wykes, Parent Governor Mr M Graham, Parent Governor Mrs K Henry, Governor Dr W Smith, Parent Governor Mr T Hallam, Staff Governor Mr M Goldring, LA Governor (deceased 12 May 2021) Mr J Barnard, Staff Governor Mrs J Sheppard, Principal, ex-officio Mrs K Eaton, Staff Governor Dr R Mitchell, Governor Mrs L Thorpe, Governor Mr D Sanderson, Parent Governor Mr S Haberfield, Co-opted Governor Mrs J Lawrance, Vice Chair
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 (resigned 6 November 2020) Mrs D Shatford (appointed 6 November 2020)
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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers Natwest
7 Hinckley Road
Leicester
LE3 0TQ

Solicitors Nelsons Law
Provincial House
37 New Walk
Leicester
LE1 6TU

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. 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 Castle Donington College.

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:

- The Department of Education and Skill's 'Guide to the Law for Governors'

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

- 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 Leicestershire Governors Development Service, which provides 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:

- monitoring 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
- Pupil Disciplinary
- Staff Disciplinary

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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.

In May 2021 the Governing Board were informed of the very sad news of Malcolm Goldring's passing. As a Local Authority Governor, Malcolm was a highly respected, energetic and strong member of the board for a number of years. Malcolm took close interest in the development of the College and in particular the progress of our disadvantaged pupils, Student voice and the social, moral, spiritual and cultural dimension of the curriculum. The work he did as a Governor had a significant impact on pupils with a particular focus on music as a result of his experience, expertise and passion for Music education. On behalf of the pupils and staff, the board would like to recognise the valued contribution that Malcolm has made to the College.

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

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.

Key priorities agreed for 2020-21 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
- Ensure all teaching is good or better and no teaching is inadequate
- Supporting well-being and mental health of pupils
- Reducing persistent absence, particularly of disadvantaged pupils
- Increasing participation and engagement in wider curriculum

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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.

Centre Assessed grades of 2019-20 showed a Progress 8 score of 0.7.

Teacher Assessed grades in 2020-21 showed a Progress 8 of 0.3.

b. Going concern

Owing to events described at note 1.2, the governors cannot conclude with certainty that the Trust will remain a going concern for a period of at least 12 months from the date of signing this report. The governors are however satisfied that no doubts exist on the Academy's operational or financial viability.

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 2020-21 financial year there have been no complaints received relating to any of the activities.

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 2020-21.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

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 2020 to 31 August 2021 and the associated expenditure is shown in the statement of financial activities.

Within total reserves, the College holds £69,215 GAG funding and £152,212 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
- Public Sector Pay decisions
- Success of capital building projects
- Covid 19

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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
- COVID-19 pandemic

Plans for future periods

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

Projected numbers show a gradually increasing pupil population of 12% over the next 3 years. Additional accommodation will be necessary in the near future. Plans for this are underway. Potential housing growth in the locality may result in a more urgent need for expansion and/or capital projects. In 2020-21 the Leicestershire Local Authority approved capital funding to be made available for Castle Donington College to increase capacity to 750 pupils. The expansion is planned in two phases, the first of which is scheduled for 2021-22.

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 Board of Governors, as the company directors, and signed on its behalf by:

Rebecca Wykes

.....
Mrs R Wykes, Chair

Date: 04/11/2021

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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 10 times during the year.

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

Governor	Meetings attended	Out of a possible
Mrs R Wykes, Parent Governor	6	6
Mr M Graham, Parent Governor	8	8
Mrs K Henry, Governor	9	10
Dr W Smith, Parent Governor	7	8
Mr T Hallam, Staff Governor	4	4
Mr M Goldring, LA Governor	3	3
Mr J Barnard, Staff Governor	5	8
Mrs J Sheppard, Principal, ex-officio	9	10
Mrs K Eaton, Staff Governor	4	4
Dr R Mitchell, Governor	5	8
Mrs L Thorpe, Governor	5	6
Mr D Sanderson, Parent Governor	5	6
Mr S Haberfield, Co-opted Governor	8	8
Mrs J Lawrance, Vice Chair	6	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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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 Resources 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 to buy-in an internal audit service from Days Accounting Services and LCC Audit Services.

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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 and signed on their behalf by:

Rebecca Wykes

.....
Mrs R Wykes
Chair of Governors
Date: 04/11/2021

Julie Sheppard

.....
Mrs J Sheppard
Accounting Officer

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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 2020.

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 2020.

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: 04/11/2021

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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 and signed on its behalf by:

Rebecca Wykes

.....
Mrs R Wykes
Chair of Governors
Date: 04/11/2021

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Castle Donington College (the 'academy') for the year ended 31 August 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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.

Emphasis of matter

Financial statements prepared on a basis other than going concern

We draw attention to note 1.2 in the financial statements which explains that the governors expect the Trust to be wound up in the next 12 months and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and sector in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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: 7 December 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 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 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: 7 December 2021

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
Income from:						
Donations and capital grants	3	-	-	35,169	35,169	194,792
Other trading activities	5	59,940	1,430	-	61,370	39,028
Investments	6	46	-	-	46	754
Charitable activities	4	-	3,268,322	-	3,268,322	3,106,693
Total income		59,986	3,269,752	35,169	3,364,907	3,341,267
Expenditure on:						
Charitable activities	8	-	3,377,460	89,807	3,467,267	3,226,567
Total expenditure		-	3,377,460	89,807	3,467,267	3,226,567
Net income/(expenditure)		59,986	(107,708)	(54,638)	(102,360)	114,700
Transfers between funds	18	(24,668)	-	24,668	-	-
Net movement in funds before other recognised gains/(losses)		35,318	(107,708)	(29,970)	(102,360)	114,700
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	(71,000)	-	-	(71,000)	62,000
Net movement in funds		(35,682)	(107,708)	(29,970)	(173,360)	176,700
Reconciliation of funds:						
Total funds brought forward		128,948	(978,077)	3,927,740	3,078,611	2,901,911
Total funds carried forward		93,266	(1,085,785)	3,897,770	2,905,251	3,078,611

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

The notes on pages 26 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,921,558	3,943,982
		<u>3,921,558</u>	<u>3,943,982</u>
Current assets			
Debtors	15	72,629	28,359
Cash at bank and in hand		369,282	362,417
		<u>441,911</u>	<u>390,776</u>
Creditors: amounts falling due within one year	16	(213,713)	(192,354)
Net current assets		<u>228,198</u>	<u>198,422</u>
Total assets less current liabilities		<u>4,149,756</u>	<u>4,142,404</u>
Creditors: amounts falling due after more than one year	17	(18,505)	(23,793)
Net assets excluding pension liability		<u>4,131,251</u>	<u>4,118,611</u>
Defined benefit pension scheme liability	24	(1,226,000)	(1,040,000)
Total net assets		<u><u>2,905,251</u></u>	<u><u>3,078,611</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	3,897,770	3,927,740
Restricted income funds	18	(1,156,785)	(978,077)
Total restricted funds	18	2,740,985	2,949,663
Unrestricted income funds	18	164,266	128,948
Total funds		2,905,251	3,078,611

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 22 to 48 were approved and authorised for issue by the Governors and are signed on their behalf, by:

Rebecca Wykes

.....
Mrs R Wykes, Chair

Date: 04/11/2021

The notes on pages 26 to 48 form part of these financial statements.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	39,033	69,358
Cash flows from investing activities	21	(32,168)	243
Change in cash and cash equivalents in the year		6,865	69,601
Cash and cash equivalents at the beginning of the year		362,417	292,816
Cash and cash equivalents at the end of the year	22, 23	<u>369,282</u>	<u>362,417</u>

The notes on pages 26 to 48 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 2021

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Castle Donington College meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors are in consultation with stakeholders for the Trust to join a Multi Academy Trust, with a provisional completion date of early January 2022. The governors consider it likely that the completion will proceed as planned barring unforeseen events or circumstances. The Trust would cease to be a going concern on the completion date, once its operations, assets and liabilities have transferred. The governors do not anticipate adjustments to the reported values arising from this process.

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 2021

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 £	Total funds 2021 £	Total funds 2020 £
Capital Grants	35,169	35,169	194,792
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	194,792	194,792	
	<hr/>	<hr/>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy's educational operations

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
General Annual Grant (GAG)	2,855,459	2,855,459	2,728,730
Other DfE/ESFA grants			
Pupil premium	82,705	82,705	88,045
High needs grant funding	48,763	48,763	51,965
Teachers pay grants	149,601	149,601	145,894
Others	13,414	13,414	13,205
Other income from Educational Operations	58,380	58,380	78,854
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	60,000	60,000	-
	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total 2021	<u>3,268,322</u>	<u>3,268,322</u>	<u>3,106,693</u>
<i>Total 2020</i>	<u>3,106,693</u>	<u>3,106,693</u>	

5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Local council partnership	21,593	-	21,593	18,406
Contributions to educational expenditure	34,967	-	34,967	18,649
Hire of facilities	3,380	1,430	4,810	1,973
Total 2021	<u>59,940</u>	<u>1,430</u>	<u>61,370</u>	<u>39,028</u>
<i>Total 2020</i>	<u>39,028</u>	<u>-</u>	<u>39,028</u>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Short term deposits	46	46	754
<i>Total 2020</i>	754	754	

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	<i>Total 2020 £</i>
Educational Operations:					
Direct costs	2,177,967	-	90,198	2,268,165	2,188,121
Support costs	506,477	262,013	430,612	1,199,102	1,038,446
Total 2021	2,684,444	262,013	520,810	3,467,267	3,226,567
<i>Total 2020</i>	2,566,508	221,417	438,642	3,226,567	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Total funds. 2021 £	<i>Total funds 2020 £</i>
Education	3,467,267	3,467,267	3,226,567
<i>Total 2020</i>	3,226,567	3,226,567	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	2,268,165	1,199,102	3,467,267	3,226,567
<i>Total 2020</i>	<u>2,188,121</u>	<u>1,038,446</u>	<u>3,226,567</u>	

Analysis of direct costs

	Educational Operations 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,177,967	2,177,967	2,067,958
Educational supplies and examinations	55,362	55,362	65,383
Staff development	5,050	5,050	8,422
Technology costs	14,115	14,115	20,960
Travel, subsistence and educational visits	15,671	15,671	25,398
	<u>2,268,165</u>	<u>2,268,165</u>	<u>2,188,121</u>
<i>Total 2020</i>	<u>2,188,121</u>	<u>2,188,121</u>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	506,477	498,550
Depreciation	89,807	77,675
Recruitment	-	348
Maintenance of premises	89,906	36,162
Rates and utilities	44,823	52,779
Insurance	14,448	18,703
Technology costs	39,305	36,639
Equipment	19,108	10,450
Printing, postage and stationery	6,624	8,986
Bought in services	137,836	112,023
Other support costs	126,253	73,633
Governance costs	9,515	9,498
Other pension costs	115,000	103,000
	1,199,102	1,038,446

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease payments	21,502	16,050
Auditors remuneration- audit	6,200	6,200
Depreciation of tangible fixed assets:		
- owned by the charity	89,807	77,962

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	1,996,953	1,935,467
Social security costs	198,274	180,472
Pension costs	489,217	450,569
	<u>2,684,444</u>	<u>2,566,508</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	34	32
Administration and Support	33	36
Management	4	4
	<u>71</u>	<u>72</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	-
	<u>3</u>	<u>2</u>

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 £347,070 (2020 £326,752).

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff 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:

		2021	2020
		£	£
Mrs J Sheppard, Principal, ex-officio	Remuneration	90,000 -	80,000 -
		95,000	85,000
	Pension contributions paid	20,000 -	15,000 -
Mr J Barnard, Staff Governor		25,000	20,000
	Remuneration	50,000 -	55,000 -
		55,000	60,000
Mrs K Eaton, Staff Governor	Pension contributions paid	20,000 -	10,000 -
		25,000	15,000
	Remuneration	50,000 -	50,000 -
Mr T Hallam, Staff Governor		55,000	55,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £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 on any one claim. The cost of this insurance is included in the total insurance cost.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Long-term leasehold property £	Improvements to Leasehold Property £	Computer equipment £	Total £
Cost				
At 1 September 2020	2,911,300	1,300,594	61,764	4,273,658
Additions	-	30,661	36,722	67,383
At 31 August 2021	2,911,300	1,331,255	98,486	4,341,041
Depreciation				
At 1 September 2020	113,704	192,247	23,725	329,676
Charge for the year	14,213	52,368	23,226	89,807
At 31 August 2021	127,917	244,615	46,951	419,483
Net book value				
At 31 August 2021	2,783,383	1,086,640	51,535	3,921,558
At 31 August 2020	2,797,596	1,108,347	38,039	3,943,982

15. Debtors

	2021 £	2020 £
Due within one year		
VAT recoverable	20,246	9,484
Prepayments and accrued income	52,383	18,875
	72,629	28,359

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	50,971	43,864
Other creditors	87,353	82,131
Accruals and deferred income	75,389	66,359
	<u>213,713</u>	<u>192,354</u>
	2021 £	2020 £
Deferred income at 1 September 2020	33,850	32,769
Resources deferred during the year	37,874	33,850
Amounts released from previous periods	(33,850)	(32,769)
	<u>37,874</u>	<u>33,850</u>

Deferred income for the year includes £24,348 fees in advance (2020: £20,754) and £13,526 Devolved Formula capital grant (2020: £13,096).

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

	2021 £	2020 £
Other creditors	<u>18,505</u>	<u>23,793</u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	128,948	59,986	-	(24,668)	-	164,266
Restricted general funds						
General annual grant	24,270	2,855,771	(2,810,826)	-	-	69,215
Other DfE/ESFA Grants	-	370,639	(370,639)	-	-	-
Other funding	37,653	43,342	(80,995)	-	-	-
Pension reserve	(1,040,000)	-	(115,000)	-	(71,000)	(1,226,000)
	(978,077)	3,269,752	(3,377,460)	-	(71,000)	(1,156,785)
Restricted fixed asset funds						
Transfer on conversion	2,797,596	-	(14,213)	-	-	2,783,383
DfE Group Capital Grants	1,115,472	35,169	(52,368)	(12,054)	-	1,086,219
Capital expenditure from GAG	14,672	-	(23,226)	36,722	-	28,168
	3,927,740	35,169	(89,807)	24,668	-	3,897,770
Total Restricted funds	2,949,663	3,304,921	(3,467,267)	24,668	(71,000)	2,740,985
Total funds	3,078,611	3,364,907	(3,467,267)	-	(71,000)	2,905,251

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds (continued)

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 2021.

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

	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)
	(999,000)	3,106,693	(3,148,892)	1,122	62,000	(978,077)
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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds (continued)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	3,921,558	3,921,558
Current assets	312,749	93,563	35,599	441,911
Creditors due within one year	(148,483)	(24,348)	(40,882)	(213,713)
Creditors due in more than one year	-	-	(18,505)	(18,505)
Provisions for liabilities and charges	-	(1,226,000)	-	(1,226,000)
Total	<u><u>164,266</u></u>	<u><u>(1,156,785)</u></u>	<u><u>3,897,770</u></u>	<u><u>2,905,251</u></u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	3,943,982	3,943,982
Current assets	282,164	95,773	12,839	390,776
Creditors due within one year	(153,216)	(33,850)	(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	<u>128,948</u>	<u>(978,077)</u>	<u>3,927,740</u>	<u>3,078,611</u>

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<u>(102,360)</u>	<u>114,700</u>
Adjustments for:		
Depreciation charges	89,807	77,674
Capital grants from DfE and other capital income	(35,169)	(192,197)
Dividends, interest and rents from investments	(46)	(754)
Defined benefit pension scheme cost less contributions payable	97,000	84,000
Defined benefit pension scheme finance cost	18,000	19,000
Decrease/(Increase) in debtors	(44,270)	32,868
(Decrease)/Increase in creditors	16,071	(65,933)
Net cash provided by operating activities	<u><u>39,033</u></u>	<u><u>69,358</u></u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	46	754
Purchase of tangible fixed assets	(67,383)	(192,708)
Capital grants from DfE Group	35,169	192,197
Net cash (used in)/provided by investing activities	(32,168)	243

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	369,282	362,417
Total cash and cash equivalents	369,282	362,417

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	362,417	6,865	369,282
	362,417	6,865	369,282

24. 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 2019.

Contributions amounting to £56,278 were payable to the schemes at 31 August 2021 (2020 - £51,034) and are included within creditors.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

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 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 (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 £359,274 (2020 - £329,784).

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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

24. Pension commitments (continued)

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 2021 was £150,000 (2020 - £149,000), of which employer's contributions totalled £121,000 (2020 - £121,000) and employees' contributions totalled £ 29,000 (2020 - £28,000). The agreed contribution rates for future years are 26.4 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

	2021	2020
	%	%
Rate of increase in salaries	3.40	2.80
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.70
Commutation of pensions to lump sums	50.00	50.00

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.5
Females	24.2	23.8
<i>Retiring in 20 years</i>		
Males	22.6	22.2
Females	25.9	25.2

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Mortality assumption - 1 year increase	120,000	-
Discount rate -0.1%	60,000	48,400
Increase in salaries +0.1%	3,000	3,000
Pensions in payment/inflation +0.1%	56,000	44,600
	<u>129,000</u>	<u>96,000</u>

Share of scheme assets

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

	2021 £	2020 £
Equities	1,030,660	797,680
Corporate bonds	515,330	392,080
Property	124,390	108,160
Cash and other liquid assets	106,620	54,080
Total market value of assets	<u>1,777,000</u>	<u>1,352,000</u>

The actual return on scheme assets was £24,000 (2020 - £24,000).

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

	2021 £	2020 £
Current service cost	97,000	84,000
Interest income	(24,000)	(24,000)
Interest cost	42,000	43,000
Total amount recognised in the Statement of financial activities	<u>115,000</u>	<u>103,000</u>

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	2,392,000	2,302,000
Interest cost	42,000	43,000
Employee contributions	29,000	28,000
Actuarial losses/(gains)	356,000	(141,000)
Benefits paid	(34,000)	(45,000)
Total service cost	218,000	205,000
At 31 August	3,003,000	2,392,000

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

	2021 £	2020 £
At 1 September	1,352,000	1,303,000
Interest income	24,000	24,000
Actuarial gains / (losses)	285,000	(79,000)
Employee contributions	29,000	28,000
Benefits paid	(34,000)	(45,000)
Employer contributions	121,000	121,000
At 31 August	1,777,000	1,352,000

25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable		
Within 1 year	14,397	15,590
Between 1 and 5 years	37,982	44,089
Later than 5 years	24,572	37,803
	76,951	97,482

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. 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 the 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 £NIL (2020: £971). No amounts are outstanding at the year end.

S Haberfield carried out exam invigilation and COVID 19 mass testing duties for the Academy during the year. He was remunerated £59 (2020: £NIL) for exam invigilation and £140 (2020: NIL) for COVID 19 mass testing.

27. Controlling party

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