

Company Registration Number: 08203218 (England and Wales)

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

CASTLE DONINGTON COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Dr R Mitchell, Chair of Governors Mrs K Henry, Vice Chair Mr S Haberfield, Co-opted Governor Mrs D Mcknight, Chair of Resources Committee (resigned 24 August 2018)
Governors	Mrs J Sheppard, Principal, ex-officio Mrs K Eaton, Staff Governor Ms L Jenkins, Staff Governor (resigned 31 August 2018) Mrs M Graham, Co-opted Governor Mr M Goldring, LA Governor Mr M Graham, Parent Governor Mrs J Lawrence, Parent Governor Dr W Smith, Parent Governor Mr J Barnard, Staff Governor (appointed 6 October 2017)
Company registered number	08203218 (England and Wales)
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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers	Natwest 7 Hinckley Road Leicester LE3 0TQ
	HSBC 13 Market Street Derby DE74 2JD
Solicitors	Nelsons Law Provincial House 37 New Walk Leicester LE1 6TU

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. 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 trust.

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

The charitable company is known as Castle Donington College.

Details of the Governors who served during the 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. GOVERNORS' 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 AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

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

New Governors will:

- Be welcomed to the Governing Body by the chair
- Be invited by the Principal to visit the College to experience its atmosphere and understand its ethos
- Have the opportunity to tour the College, 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'

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- Look at the 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 Body
- Dates of forthcoming governor 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 Body role in the College is to set the strategic framework and ensure all statutory duties are met. The Governing Body 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 Body has delegated some of its functions to four committees, the Principal and the Senior Leadership Team.

The committees are:-

- Resources – meet every 6-8 weeks. Responsible for revenue and capital income/expenditure, setting and reviewing the budgets, financial standards, staffing, performance management, staff discipline/capability, whole staff structure, premises
- Teaching, Learning and Assessment – meet two weeks after every full Governing Body meeting to discuss the progress and attainment of all pupils and groups of pupils, the quality of teaching and learning, assurance procedures, the current curriculum, safeguarding, student personal development, behaviour and attendance
- Health & Safety – meet termly, monitor safeguarding procedures and undertake an annual inspection of the Academy and monitor progress of the H&S action plans in Art & Design, Science and PE Departments
- Pay Committee – meet as and when required
- Pupil Disciplinary – meet as and when required
- Staff Disciplinary – meet as and when required

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

f. PAY POLICY FOR 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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 Body will exercise its 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.

RISK MANAGEMENT

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 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.

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%	-

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	-	%

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The College has a partnership agreement with North West Leicestershire District Council (NWLDC) to enable them to provide recreational and leisure facilities for the community and surrounding villages. They have a mobile gym on site that is available to the public during term-time 09.00 – 21.00 Monday to Thursday, 09.00 – 17.00 Friday and Saturday 09.00-13.00; their other recreational facilities are available during term time from 17.30hrs to 21.30hrs Monday to Thursday and Saturdays 09.00-13.00. During the summer, Easter, February and October half terms NWLDC put on a number of activities for 5 to 12 year olds between 09.00 – 17.00hrs.

The College also permits the hire of rooms for local groups and societies.

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 extras 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 developed 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 2018

Key priorities agreed for 2017-18 are:-

- Successful transition to 11-16 status
- Ensuring excellent outcomes for individuals and groups of students (progress and attainment)
- Develop teaching 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 2006, 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 it's care. It fully complies with all statutory guidance and seeks to support it's wider educational objectives via a strong community role. The premises is 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.

Achievements and performance

a. KEY PERFORMANCE INDICATORS

There were no examination results in 2017-18 due to age range change. The first set of GCSE outcomes are expected in 2019.

In March 2015, the College was judged by OFSTED as a "Good" school overall (previously "Requires Improvement") with "Outstanding" behaviour and safety (previously "Good").

b. GOING CONCERN

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

c. FUNDRAISING ACTIVITIES/INCOME GENERATION

The College did not engage in any charitable fundraising for it's own purposes. On several occasions students 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 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 2017/18 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 2018

Financial review

a. RESERVES POLICY

The majority of our 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 2017 to 31 August 2018 and the associated expenditure is shown in the statement of financial activities.

Within total reserves, the College holds £nil GAG funding and £115,360 of unrestricted funds. Further details are set out in note 17.

The College reserves are retained at this stage for anticipated impact of Age Range Change including additional staffing and impact of ageing staff.

b. MATERIAL INVESTMENTS 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 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

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The College has a Risk Register; the financial risks to the College are listed below.

Plans for future periods

a. FUTURE DEVELOPMENTS

Castle Donington College began the process of converting to an 11-16 College from September 2017 as we welcomed the first Year 10 Cohort

Projected numbers show an increase in the student population of 20% with the (542) NOR completion of age range change in September 2018. Additional accommodation will be necessary when pupil numbers rise to 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.

The KS4 curriculum offer and associated staffing adjustments have been planned for and recruitment of additional teaching staff is underway.

The Governors have approved Capital Investment Fund Bids to resurface the netball courts and install a new boiler and heating system. Plans to resurface two Astro pitches have been agreed in consultation with NWLDC. Further CIF bids to upgrade buildings in line with fire regulations have also been successful and work completed.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDS HELD AS CUSTODIAN

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 the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Governors' report was approved by order of the governing body, as the company directors, on 26/11/18 and signed on its behalf by:


.....
Dr R Mitchell
Chair of Governors

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GOVERNANCE STATEMENT

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.

The governing body 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 governing body 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 6 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 J Sheppard, Principal, ex-officio	6	6
Mr J Barnard, Staff Governor & Business Manager	4	5
Mrs K Eaton, Staff Governor	5	6
Ms L Jenkins, Staff Governor	5	6
Mrs M Graham, Co-opted Governor	4	6
Mr M Goldring, LA Governor	4	6
Mr M Graham, Parent Governor	6	6
Mrs J Lawrence, Parent Governor	5	6
Dr W Smith, Parent Governor	4	6
Dr R Mitchell, Chair of Governors	5	6
Mrs K Henry, Vice Chair	6	6
Mr S Haberfield, Co-opted Governor	5	6
Mr D McKnight, Chair of Resources Committee	5	6

Additional Governor meetings were held during the year including four committees: Resources, Health and Safety, Teaching and Learning, and the Pay committee. 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 body.

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 governing body 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

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GOVERNANCE STATEMENT (continued)

- 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 (July 2015)
- 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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castle Donington College for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body 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 governing body 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the

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GOVERNANCE STATEMENT (continued)

- forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines.
 - delegation of authority and segregation of duties;
 - identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Dr. William Smith, a Governor, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

An in-depth review and report on financial procedures has been carried out by Dr William Smith and an action plan was produced and reported to the Resources Committee. There were no procedural issues for the Governing Body to act on this review during the financial year ended 31 August 2018.

On an annual basis, the reviewer reports to the governing body through the audit committee on the operation of the systems of control and on the discharge of the governing body' financial responsibilities.

REVIEW OF EFFECTIVENESS

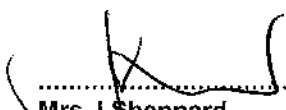
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- 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 governing body on 26/11/18 and signed on their behalf, by:


.....
Dr R Mitchell
Chair of Governors


.....
Mrs J Sheppard
Principal


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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 trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



.....
Mrs J Sheppard
Principal

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 body on 26/11/18 and signed on its behalf by:


.....
Dr R Mitchell
Chair of Governors

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

OPINION

We have audited the financial statements of Castle Donington College (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 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.

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. 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

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

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report has 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.

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 TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, 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.

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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

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: **29 NOV 2018**

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 September 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have 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: 29 NOV 2018

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

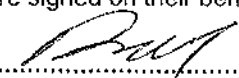
	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	280,900	280,900	173,966
Charitable activities	3	-	2,099,784	-	2,099,784	2,012,521
Other trading activities	4	61,769	-	-	61,769	45,303
Investments	5	228	-	-	228	717
TOTAL INCOME		61,997	2,099,784	280,900	2,442,681	2,232,507
EXPENDITURE ON:						
Charitable activities		-	2,458,675	73,949	2,532,624	2,375,187
TOTAL EXPENDITURE	8	-	2,458,675	73,949	2,532,624	2,375,187
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	61,997 (259,714)	(358,891) 280,891	206,951 (21,177)	(89,943) -	(142,680) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(197,717)	(78,000)	185,774	(89,943)	(142,680)
Actuarial gains on defined benefit pension schemes	22	-	132,000	-	132,000	309,000
NET MOVEMENT IN FUNDS		(197,717)	54,000	185,774	42,057	166,320
RECONCILIATION OF FUNDS:						
Total funds brought forward		313,077	(742,000)	3,449,513	3,020,590	2,854,270
TOTAL FUNDS CARRIED FORWARD		115,360	(688,000)	3,635,287	3,062,647	3,020,590

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		3,643,582		3,325,414
CURRENT ASSETS					
Debtors	14	43,254		36,375	
Cash at bank and in hand		459,146		597,734	
		<u>502,400</u>		<u>634,109</u>	
CREDITORS: amounts falling due within one year	15	<u>(358,322)</u>		<u>(157,276)</u>	
NET CURRENT ASSETS			<u>144,078</u>		<u>476,833</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,787,660</u>		<u>3,802,247</u>
CREDITORS: amounts falling due after more than one year	16		<u>(37,013)</u>		<u>(39,657)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,750,647</u>		<u>3,762,590</u>
Defined benefit pension scheme liability	22		<u>(688,000)</u>		<u>(742,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>3,062,647</u>		<u>3,020,590</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds excluding pension liability		3,635,287		3,449,513	
Pension reserve		<u>(688,000)</u>		<u>(742,000)</u>	
Total restricted income funds			<u>2,947,287</u>		<u>2,707,513</u>
Unrestricted income funds	17		<u>115,360</u>		<u>313,077</u>
TOTAL FUNDS			<u>3,062,647</u>		<u>3,020,590</u>

The financial statements on pages 20 to 41 were approved by the Governors, and authorised for issue, on 26/11/18 and are signed on their behalf, by:

.....

Dr R Mitchell
Chair of Governors

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	19	(52,801)	(223,602)
Cash flows from investing activities:			
Dividends, interest and rents from investments		228	716
Purchase of tangible fixed assets		(364,271)	(81,790)
Capital grants from DfE Group		280,900	173,966
Net cash (used in)/provided by investing activities		(83,143)	92,892
Cash flows from financing activities:			
Repayments of borrowings		(2,644)	-
Cash inflows from new borrowing		-	42,301
Net cash (used in)/provided by financing activities		(2,644)	42,301
Change in cash and cash equivalents in the year		(138,588)	(88,409)
Cash and cash equivalents brought forward		597,734	686,143
Cash and cash equivalents carried forward	20	459,146	597,734

The notes on pages 23 to 41 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 2018

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Castle Donington College constitutes a public benefit entity as defined by FRS 102.

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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust'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 income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account.

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

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 incorporating income and expenditure account.

1.6 Operating leases

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Debtors

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

1.8 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.

1.9 Liabilities and provisions

Liabilities and provisions 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.

1.10 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 basis 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 14. 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 costs as detailed in notes 15 and 16. Taxation and social security are not 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 instruments.

1.11 Taxation

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

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

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust 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 incorporating income and expenditure account 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.

1.13 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 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 2018

1. ACCOUNTING POLICIES (continued)

1.14 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 trust 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital Grants	-	-	280,900	280,900	173,966
<i>Total 2017</i>	-	-	173,966	173,966	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,861,572	1,861,572	1,825,066
Pupil premium (disadvantaged pupils)	-	85,960	85,960	74,740
Other grants and payments	-	79,267	79,267	55,913
Rates reimbursement	-	12,550	12,550	14,846
	-	2,039,349	2,039,349	1,970,565
Other funding				
Parental contributions towards educational trips	-	60,435	60,435	41,956
	-	60,435	60,435	41,956
	-	2,099,784	2,099,784	2,012,521
<i>Total 2017</i>	-	2,012,521	2,012,521	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Local council partnership	26,437	-	26,437	24,058
Contributions to educational expenditure	28,844	-	28,844	11,437
Hire of facilities	5,379	-	5,379	7,320
Sundry income	1,109	-	1,109	2,488
	61,769	-	61,769	45,303
<i>Total 2017</i>	45,303	-	45,303	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	228	-	228	717
<i>Total 2017</i>	<u>717</u>	<u>-</u>	<u>717</u>	

6. DIRECT COSTS

	Educational Operations £	Total 2018 £	Total 2017 £
Educational supplies	35,015	35,015	55,284
Staff development	11,796	11,796	8,045
Technology costs	27,304	27,304	28,772
Travel, subsistence and educational visits	60,434	60,434	41,794
Wages and salaries	1,253,993	1,253,993	1,221,149
National insurance	119,358	119,358	116,898
Pension cost	199,679	199,679	195,944
	<u>1,707,579</u>	<u>1,707,579</u>	<u>1,667,886</u>
<i>Total 2017</i>	<u>1,667,886</u>	<u>1,667,886</u>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. SUPPORT COSTS

	Educational Operations £	Total 2018 £	Total 2017 £
Recruitment	5,907	5,907	9,204
Maintenance of premises	58,619	58,619	40,486
Rates and utilities	49,887	49,887	50,754
Insurance	11,540	11,540	16,350
Technology costs	11,170	11,170	11,666
Equipment	17,048	17,048	16,107
Printing, postage and stationery	8,266	8,266	8,586
Bought in services	121,314	121,314	106,263
Other support costs	60,806	60,806	36,056
Governance costs	8,750	8,750	8,975
Other pension costs	78,000	78,000	74,000
Wages and salaries	266,887	266,887	229,900
National insurance	20,415	20,415	17,748
Pension cost	60,333	60,333	47,784
Depreciation	46,103	46,103	33,422
	<u>825,045</u>	<u>825,045</u>	<u>707,301</u>
<i>Total 2017</i>	<u>707,301</u>	<u>707,301</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs: £8,266 (2017 - £8,975) included within the table above in respect of Educational Operations.

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	1,573,030	-	134,549	1,707,579	1,667,886
Support costs	347,635	122,143	355,267	825,045	707,301
	<u>1,920,665</u>	<u>122,143</u>	<u>489,816</u>	<u>2,532,624</u>	<u>2,375,187</u>
<i>Total 2017</i>	<u>1,829,423</u>	<u>124,662</u>	<u>421,102</u>	<u>2,375,187</u>	

CASTLE DONINGTON COLLEGE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,520,880	1,451,049
Social security costs	139,773	134,646
Operating costs of defined benefit pension schemes	260,012	243,728
	<u>1,920,665</u>	<u>1,829,423</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	27	25
Administration and Support	27	27
Management	4	4
	<u>58</u>	<u>56</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this employee amounted to £11,999 (2017: £11,312).

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £275,353 (2017: £271,692)

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FOR THE YEAR ENDED 31 AUGUST 2018

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	46,103	33,422
Auditors' Remuneration	5,700	5,600
Operating lease payments	7,281	8,432
	59,084	47,884

11. GOVERNORS' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Mrs J Sheppard, Principal, ex-officio	Remuneration	70,000-75,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr J Barnard, Staff Governor & Business Manager	Remuneration	45,000-50,000	
	Pension contributions paid	10,000-15,000	
Mrs K Eaton, Staff Governor	Remuneration	45,000-50,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms L Jenkins, Staff Governor	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £Nil).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim. The cost of the insurance is included in the total insurance cost.

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

	Long-term Leasehold property £	Improve- ments to Leasehold Property £	Computer equipment £	Total £
Cost				
At 1 September 2017	2,911,300	562,015	-	3,473,315
Additions	-	345,791	18,480	364,271
At 31 August 2018	<u>2,911,300</u>	<u>907,806</u>	<u>18,480</u>	<u>3,837,586</u>
Depreciation				
At 1 September 2017	71,065	76,836	-	147,901
Charge for the year	14,213	27,270	4,620	46,103
At 31 August 2018	<u>85,278</u>	<u>104,106</u>	<u>4,620</u>	<u>194,004</u>
Net book value				
At 31 August 2018	<u>2,826,022</u>	<u>803,700</u>	<u>13,860</u>	<u>3,643,582</u>
At 31 August 2017	<u>2,840,235</u>	<u>485,179</u>	<u>-</u>	<u>3,325,414</u>

14. DEBTORS

	2018 £	2017 £
VAT recoverable	26,357	26,452
Prepayments and accrued income	16,897	9,923
	<u>43,254</u>	<u>36,375</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	73,468	66,456
Other creditors	17,238	25,812
Accruals and deferred income	267,616	65,008
	<u>358,322</u>	<u>157,276</u>

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15. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	50,582	48,607
Resources deferred during the year	45,274	50,582
Amounts released from previous years	(50,582)	(48,607)
	45,274	50,582
Deferred income at 31 August 2018	45,274	50,582

Included within other creditors is £2,644 relating to a Salix loan of £39,657 from DfE which is provided on an interest-free basis with capital repayments based on the savings produced through reduced energy bills.

16. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	37,013	39,657
	37,013	39,657

Creditors include amounts not wholly repayable within 5 years as follows:

	2018	2017
	£	£
Repayable by instalments	10,573	13,217
	10,573	13,217

Other creditors relates entirely to the Salix loan on the same terms as described within note 15.

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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	313,077	61,997	-	(259,714)	-	115,360
Restricted funds						
General Annual Grant (GAG)	-	1,861,572	(2,141,756)	280,184	-	-
Other DfE/ESFA Grants	-	177,777	(177,777)	-	-	-
Other funding	-	60,435	(61,142)	707	-	-
Pension reserve	(742,000)	-	(78,000)	-	132,000	(688,000)
	<u>(742,000)</u>	<u>2,099,784</u>	<u>(2,458,675)</u>	<u>280,891</u>	<u>132,000</u>	<u>(688,000)</u>
Restricted fixed asset funds						
Transfer on conversion	2,840,235	-	(14,213)	-	-	2,826,022
DfE Group Capital Grants	609,278	280,900	(55,116)	(39,657)	-	795,405
Capital expenditure from GAG	-	-	(4,620)	18,480	-	13,860
	<u>3,449,513</u>	<u>280,900</u>	<u>(73,949)</u>	<u>(21,177)</u>	<u>-</u>	<u>3,635,287</u>
Total restricted funds	<u>2,707,513</u>	<u>2,380,684</u>	<u>(2,532,624)</u>	<u>259,714</u>	<u>132,000</u>	<u>2,947,287</u>
Total of funds	<u><u>3,020,590</u></u>	<u><u>2,442,681</u></u>	<u><u>(2,532,624)</u></u>	<u><u>-</u></u>	<u><u>132,000</u></u>	<u><u>3,062,647</u></u>

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds - all funds	526,546	46,020	-	(259,489)	-	313,077
Restricted funds						
General Annual Grant (GAG)	-	1,825,066	(2,072,072)	247,006	-	-
Other DfE/ESFA Grants	-	145,499	(145,499)	-	-	-
Other funding	27,678	41,956	(41,794)	(27,840)	-	-
Pension reserve	(977,000)	-	(74,000)	-	309,000	(742,000)
	<u>(949,322)</u>	<u>2,012,521</u>	<u>(2,333,365)</u>	<u>219,166</u>	<u>309,000</u>	<u>(742,000)</u>
Restricted fixed asset funds						
Transfer on conversion	2,854,448	-	(14,213)	-	-	2,840,235
DfE Group Capital Grants	422,598	173,966	(27,609)	40,323	-	609,278
Total restricted funds	<u>2,327,724</u>	<u>2,186,487</u>	<u>(2,375,187)</u>	<u>259,489</u>	<u>309,000</u>	<u>2,707,513</u>
Total of funds	<u><u>2,854,270</u></u>	<u><u>2,232,507</u></u>	<u><u>(2,375,187)</u></u>	<u><u>-</u></u>	<u><u>309,000</u></u>	<u><u>3,020,590</u></u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,643,582	3,643,582
Current assets	115,360	186,896	200,144	502,400
Creditors due within one year	-	(186,896)	(171,426)	(358,322)
Creditors due in more than one year	-	-	(37,013)	(37,013)
Provisions for liabilities and charges	-	(688,000)	-	(688,000)
	<u>115,360</u>	<u>(688,000)</u>	<u>3,635,287</u>	<u>3,062,647</u>

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	3,325,414	3,325,414
Current assets	313,077	154,632	166,400	634,109
Creditors due within one year	-	(154,632)	(2,644)	(157,276)
Creditors due in more than one year	-	-	(39,657)	(39,657)
Provisions for liabilities and charges	-	(742,000)	-	(742,000)
	<u>313,077</u>	<u>(742,000)</u>	<u>3,449,513</u>	<u>3,020,590</u>

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

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(89,943)	(142,680)
Adjustment for:		
Depreciation charges	46,103	33,422
Dividends, interest and rents from investments	(228)	(716)
Increase in debtors	(6,879)	(21,552)
Increase in creditors	201,046	7,890
Capital grants from DfE and other capital income	(280,900)	(173,966)
Defined benefit pension scheme cost less contributions payable	58,000	54,000
Defined benefit pension scheme finance cost	20,000	20,000
Net cash used in operating activities	<u>(52,801)</u>	<u>(223,602)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	459,146	597,734
Total	<u>459,146</u>	<u>597,734</u>

