

**Castleford Academy Trust (A Multi-Academy Trust)
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2016**

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Castleford Academy Trust
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Castleford Academy Trust
Reference and Administrative Details

Members

W Clift MBE JP (Chairman)
 J Hughes
 A Fletcher (appointed 8 December 2015)
 G Panayiotou (resigned 8 December 2015)

Trustees

W Clift MBE JP (Chairman)
 J Hughes
 A Fletcher (appointed 8 December 2015)
 J Iveson (appointed 1 February 2016)
 G Panayiotou
 B Townend

Governors of Castleford Academy

W Clift MBE JP* (Chairman)
 G Panayiotou* (Headteacher)
 J Hughes*
 A Fletcher
 D Cook*
 C Bland*
 A Kitchen
 A Fender
 K Scott*
 I Hobson
 G Vessey
 G Storr

Governors of Castleford Park Junior Academy

B Townend* (Executive headteacher)
 A Smith (Business manager)
 J Hughes*
 P Bailey*
 R Davies*
 N Huddleston
 D Lister*
 J Lister*
 A Duncan
 K Law
 E Miller
 L Walton
 S Churm
 P Roe (appointed 1 October 2015)
 K Patrick (appointed 1 October 2015)
 R Potts (appointed 1 October 2015)
 E Briggs (appointed 1 October 2015)
 M Broom (appointed 1 October 2015)

Castleford Academy Trust

Reference and Administrative Details (continued)

Governors of Glasshoughton Infant Academy

R Potts (appointed 1 October 2015)
B Townend* (Executive Headteacher)
K Patrick
P Phelps
P Roe*
P Stones
P Wagstaff*
A Walker*
P Moules
T Wallis*
S Wright
P Beckitt (appointed 1 September 2015)
G Innes (appointed 1 September 2015)

Governors of Three Lane Ends Academy

J Iveson* (Chairman)
S Johnson*
E Price*
L Ellis-Charlesworth
K Greateorex
N Peaker
S Asprey
C Easton
M Shaw*
J Speight*
K Greaves
J Heyworth*
L Jagger
D Alleston
J Ingle*

* Members of the Finance and Personnel Committees

Company Secretary

S Stevens

Castleford Academy Trust

Reference and Administrative Details (continued)

Senior management team

Director of Castleford Academy Trust and Headteacher at Castleford Academy G Panayiotou

Director of Business at Castleford Academy and Chief Financial Officer for Castleford Academy Trust S Stevens

Associate Headteacher at Castleford Academy D Cook

Assistant Headteacher at Castleford Academy and Chair of Castleford Pyramid Headteachers and Trust Liaison for Castleford Academy Trust S Longley

Headteacher at Glasshoughton Infant Academy A Walker

Headteacher at Castleford Park Junior Academy K Law

Headteacher at Three Lane Ends Academy to 31 December 2015 E Price

Headteacher at Three Lane Ends Academy from 1 January 2016 K Greatorex

Business manager at Castleford Park Junior Academy and Glasshoughton Infant Academy A Smith

Company Name Castleford Academy Trust

Principal and Registered Office Ferrybridge Road
Castleford
WF10 4JQ

Company Registration Number 07547039 (England and Wales)

Independent Auditor Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Bankers Lloyds Bank plc
17 Westgate
Wakefield
WF 1 1JZ

Yorkshire Bank
81 Carlton Street
Castleford
WF10 1BW

Solicitors Wrigleys Solicitors
19 Cookridge Street
Leeds
LS2 3AG

Castleford Academy Trust

Trustees' Report

The trustees of Castleford Academy Trust have pleasure in presenting their annual report and the audited financial statements of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates one secondary, one primary, one infant and one junior academy in Castleford, West Yorkshire. Its academies have a combined pupil capacity of 2,115 plus 104 nursery places and had 2,202 pupils on roll plus 100 children in nursery in the school census in October 2016.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Castleford Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Castleford Academy Trust.

Details of the trustees who served during the year are included in the reference and administrative details on pages 1.

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.

Trustees' Indemnities

A trustee may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of trustees which by virtue of any law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust.

Governors' liability (which includes trustees of an Academy Trust) is provided within the Risk Protection Arrangement (RPA) from the Department for Education up to a limit of £10,000,000 in any one membership year.

Principal Activities

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of the Master Funding agreement in place with the Education Funding Agency (EFA).

Method of Recruitment and Appointment or Election of Trustees and Governors

In accordance with the articles of association the trustees are appointed as follows:

1. The members may appoint up to 12 trustees. The members of Castleford Academy Trust are:
 - a. William Clift MBE
 - b. Adam Fletcher
 - c. John Hughes
2. The members may appoint trustees through such process as they may determine, provided that the total number of trustees who are employees of Castleford Academy Trust shall not exceed one third of the total number of trustees.
3. There shall be a minimum of two parent directors unless there are local governing bodies which include at least two parent members. Parent trustees or governors must be parents of a registered pupil at an academy or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

All trustees are appointed on the basis of the contribution they can make to the development and success of Castleford Academy Trust. The trustees are assessed based on personal qualities, specific skills and expertise they can provide. All trustees give their time freely and receive no remuneration other than reasonable expenses, except those trustees who are employees of Castleford Academy Trust.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity, education, legal and financial matters. New trustees will be given a tour of the academies within the Trust and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

Castleford Academy Trust

Trustees' Report (continued)

Organisational Structure

The management structure consists of three levels: The board of trustees, the governing bodies and the senior leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for the strategic direction of the Academy Trust. They set general policy and adopt the annual school development plan and budget. The trustees monitor trust results and expenditure and budget. They make major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The board of trustees holds each governing body of academies within the Trust to account. A detailed handbook of governance outlining the responsibility of all stakeholders has been adopted by the Academy Trust and is reviewed annually. Each governing body monitors, challenges and supports the quality of Teaching and Learning, the Achievement of Pupils, the Behaviour of Pupils, the Financial Decisions, Building and Maintenance and Health and Safety. They are also responsible for monitoring general policy and progress of the Annual Development Plan. Each of these aspects has a committee consisting of governors and senior leaders to enable these processes to take place.

Executive leaders, the Senior Leadership Team with Middle Managers are responsible for the day to day operation of the academy trust and each academy within it.

Arrangements for setting pay and remuneration of key management personnel

Castleford Academy Trust adheres to School Teachers Pay and Conditions 2016 for setting the pay of senior leaders and all staff. Please refer to Castleford Academy Trust Pay and Performance Management Policies 2016 for further details.

Connected Organisations, Including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Castleford Academy Trust. There are no sponsors.

Objectives, Strategies and Activities

Aims and Objectives

The principal objective and activity of Castleford Academy Trust is to advance education in Castleford for public benefit. In particular by establishing, maintaining, managing and developing its academies offering a broad and balanced curriculum.

The main objectives of academies within the trust during the period ended 31 August 2016 are summarised below:

Objective	Performance
To maintain and improve the standard of educational achievement for all students and ensure support is provided where needed to enable this to happen.	See strategic report and performance data on each academy below.
To continue to improve the effectiveness of curriculum and organisational structures, through evaluation and analysis of existing structures.	Through a process of continual review, key areas have been addressed with regards to organisational review. This includes HR, finance and payroll, premises, IT support, education support and business services.
To ensure that every school within the MAT is able to generate a positive financial outcome at the end of each financial year through efficient, forward and effective curriculum led financial planning.	The Academy Trust is committed to ensuring that all business is conducted in the public interest ensuring value for money. The EFA supported the trust's self-assessment in 2011 as 'good'. This report outlines the provision for financial management and governance at the Academy Trust is 'good'.
To continue to make strides towards OFSTED 'outstanding' in each academy.	See strategic report and performance data for each academy. The progress for each individual academy is highlighted in their self-evaluation report and validated by the external School Improvement Partner. Evidenced in 2015/2016 reports.

The objectives and aims for the 2016/2017 are set out below:

- To maintain and improve the standard of educational achievement for all students and ensure support is provided where needed to enable this to happen.
- To continue to improve the effectiveness of curriculum and organisational structures, through evaluation and analysis of existing structures.
- To ensure that every school within the MAT is able to generate a positive financial outcome at the end of each financial year through efficient, forward and effective curriculum led financial planning.
- To continue to make strides towards OFSTED 'outstanding' in each academy.

Castleford Academy Trust

Trustees' Report (continued)

Strategies, Activities and Vision

Within the Castleford Academy Trust, in our pursuit of excellence, we work hard to ensure that no child is left behind. The Academy Trust put students at the heart of everything that we do. In our commitment to excellence, we place ourselves at the forefront of educational developments and create an environment that is innovative, a positive climate for learning and attainment and fully supports students' social and emotional developments.

Each academy will be an exciting place to learn with high quality educational experiences and an innovative approach to the curriculum. Children will thrive emotionally and academically and be prepared for their adult life. We are committed to delivering the highest standards of education possible and continual review of curriculum and organisational structures will enable students to succeed and achieve.

Castleford Academy Trust is committed to working together to provide the best outcomes for children within the community. We aim to raise pupil expectations and aspirations through teaching and learning, effective leadership and the sharing of outstanding practice. Mutual sharing of knowledge, expertise, systems and resources from across education and business will support the raising of educational standards and achievements and enable us to sustain and enhance educational performance.

The Academy Trust Board's whole purpose is to raise standards and outcomes for all students regardless of starting points. We believe that success is achieved when we work together.

Employment of disabled persons

The academy trust is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. In the event of members of staff becoming disabled the academy trust continues employment wherever possible and arranges the appropriate training.

Employee involvement

The academy trust's employment policies are designed to attract, retain and motivate the best people. The academy trust involves employees at all levels of the organisation through a broad base of regular communication, meetings and briefing sessions to understand current issues and communicate future developments.

Public Benefit

The trustees confirm that they have complied with its duty to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The main benefit delivered by the trust is the provision of high quality education to its students. This has been evidenced through the results achieved and feedback from external assessments.

Strategic Report

Achievements and Performance

Castleford Academy

In September 2014 an Ofsted inspection took place and the academy was judged 'good' in all main aspects and 'requires improvement' for sixth form provision. A summary of the key strengths of the academy are set out below:

- Progress across most subjects continues to rise for most pupils, particularly for English and Mathematics. Students do well compared to their peers nationally.
- Teaching is continuing to improve due to the successful drive by governors and leaders to raise the overall quality.
- Staff and parents are extremely positive about all aspects of the academy and hold a strong sense of support and belief in the academy and its staff.
- Leaders continue to seek opportunities to further raise standards of behaviour and the achievement students make across all subjects. They are swift to deal with underperformance of staff so that students receive a good education.
- The pastoral care of students is excellent. There are many opportunities for students to experience life beyond the academy and support for the spiritual, moral, social and cultural education is strong. There is also good support for the promotion of British values, such as encouraging the involvement of students in the democratic process.

Castleford Park Junior Academy

In September 2016 an Ofsted inspection took place and judged that the academy 'required improvement' in most areas. The school received a 'good' judgment for the behaviour and safety of pupils. A summary of the key strengths of the academy are set out below:

- The new senior leadership team and dedicated staff have determinedly made changes that are improving the school.
- Leaders monitoring and evaluation performance information, together with coaching and training for teachers, has led to some recent improvements to teaching.

Castleford Academy Trust

Trustees' Report (continued)

- The school's work to support the learning and welfare needs of pupils whose circumstances may make them feel vulnerable is very effective.
- Teachers who are new to the school receive effective support from staff to enable them to continuously improve the quality of their teaching.
- Pupils' personal development, welfare and behaviour is good. Pupils behave in a mature and respectful manner in lessons and around school.
- Well-established systems and practises ensure that the school's work to safeguard pupils is strong.

Glasshoughton Infant Academy

Glasshoughton Infant Academy has not been inspected since joining the trust. The predecessor school was inspected by Ofsted in May 2009 and judged as 'outstanding' in all areas. The academy has an annual health check ensuring that excellent standards are maintained. A summary of the key strengths are set out below, evidenced by a recent external review:

- High quality leadership, at all levels, is sustaining excellent achievement and well above average standards. As a result, Glasshoughton Infant Academy is an outstanding school. Pupils are developing the skills to be excellent learners because of the consistently high quality of teaching, the stimulating curriculum and the exciting learning environment.
- Outstanding care and guidance enable all pupils to thrive in a happy and inclusive community. Parents feel, 'This is a 'first-class' school with excellent staff who put 110% into our children's needs.
- Pupils' personal development and well-being, including their spiritual, moral, social and cultural development, are outstanding.
- The quality of teaching and learning is outstanding and promotes consistently high outcomes. Relationships are excellent.
- Leadership and management are excellent. School leaders have created a team approach to ensure pupils' excellent academic and personal achievement. Governors are fully committed to and effective in building on the school's excellent track record.

Three Lane Ends Academy

Three Lane Ends Academy joined the trust in September 2014. The predecessor school was inspected by Ofsted in February 2014. The inspection found that the school was 'good' in all aspects. A summary of the key strengths are set out below:

- The Headteacher, supported by other leaders, staff and the governing body, sets a clear direction for the school's work and is successfully leading the drive to raise standards further.
- Teaching is good and there is a determined effort to make it even better. The best teaching enables learning to move on rapidly because work is challenging for pupils of all abilities.
- Pupils contribute to the successes of the school through their good behaviour and readiness to learn.
- Most pupils make good progress from their well below average starting points. They attain at least average standards in reading, writing and mathematics by the time they leave in Year 6.
- The successful promotion of pupils' spiritual, moral, social and cultural development is at the heart of the schools' work.
- Children make a good start in the Early Years Foundation Stage because of good teaching.
- Most parents hold the school in high regard and rightly believe that the schools' work to keep pupils safe and secure is good.

Key Performance Indicators

The total numbers of students in these academies for the year ended 31 August 2016 were as follows (2014/2015 figures are shown for comparative purposes).

Academy	2015/16	2014/15
Years 11-16		
Castleford Academy	1182	1172
Years 16-18		
Castleford Academy	65	98

The headline results for the 2015/2016 academic year are summarised as follows:

Academy	5+ A*-C including English & Maths	
	2016	2015
Castleford Academy	71%	65%
	Progress 8	
	2016	
	0.54%	
	Attainment 8	
	2016	
	53.47 (C+)	

Castleford Academy Trust

Trustees' Report (continued)

	EBACC	
	2016	
	12%	

Attendance

Academy	Attendance Levels		Persistent Absence	
	2016	2015	2016 (Based on 10%)	2015 (Based on 15%)
Castleford Academy	95.6%	95.1%	11.2%	3.1%

Primary Academies

The total numbers of students in primary academies for the year ended 31 August 2016 were as follows (2014/15 figures are shown for comparative purposes):

Primary Academy	2015/16	2014/15
Aged 3-4		
Glasshoughton Infant Academy	47	52
Aged 5-7		
Glasshoughton Infant Academy	178	174
Aged 7-11		
Castleford Park Junior Academy	375	364
Three Lane Ends Academy	397	337

The percentage of pupils achieving the expected standard or above at the end of Key Stage 2. Academic year 2015/2016 summarised as follows:

KS2 2016 Attainment	% at the Standard				
School Name	Re	Wr	GPS	Ma	RWM
Castleford Park Junior Academy	63%	69%	69%	57%	44%
Three Lane Ends Academy	57%	74%	66%	49%	34%

The progress from KS1 to KS2 in the academic year 2015/2016 summarised as follows:

KS1 to KS2 Progress	Progress measures: KS1 to KS2		
	Reading	Writing	Maths
Castleford Park Junior Academy	-0.4	0.5	-1.2
Three Lane Ends Academy	0.1	1.7	-0.7

The percentage of pupils achieving level 4 or above at Key Stage 2 results for the 2014/15 academic year are summarised as follows:

Primary Academy	Reading		Writing		Maths	
	2015	2014	2015	2014	2015	2014
Castleford Park Junior Academy	90%	84%	88%	77%	86%	75%
Three Lane Ends Academy	91%	81%	91%	81%	98%	91%

The percentage of pupils achieving the expected standard or above at the end of Key Stage 1. Academic year 2015/2016 summarised as follows:

KS1 2016 Attainment	% at the Standard		
School Name	Re	Wr	Ma
Glasshoughton Infant Academy	75%	59%	75%
Three Lane Ends Academy	77%	58%	68%

Castleford Academy Trust

Trustees' Report (continued)

The percentage of pupils achieving the expected standard for phonics screening at the end of Year 1. Academic year 2015/2016 summarised as follows:

	Yr1 Phonics	
	2016	2015
Glasshoughton Infant Academy	78%	73%
Three Lane Ends Academy	74%	60%

The percentage of pupils achieving the expected standard for EYFS. Academic year 2015/2016 summarised as follows:

	EYFS GLD	
	2016	2015
Glasshoughton Infant Academy	68%	69%
Three Lane Ends Academy	61%	58%

The percentage of pupils achieving level 2+ or above at Key Stage 1 results for the 2014/15 academic year are summarised as follows:

Infant Academy	Reading		Writing		Maths	
	2015	2014	2015	2014	2015	2014
Glasshoughton Infant Academy	88%	84%	85%	75%	90%	86%
Three Lane Ends Academy	88%	71%	71%	60%	86%	71%

Attendance

Academy	Attendance Levels		Persistent Absence	
	2016	2015	2016 (Based on 10%)	2015 (Based on 15%)
Castleford Park Junior Academy	96.6%	96.1%	8.5%	2.1%
Glasshoughton Infant Academy	96.7%	96.2%	4.3%	0.0%
Three Lane Ends Academy	96.4%	95.2%	8.2%	5.0%

Going Concern

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

Financial Review

Most of the academy trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted as defined by its Funding Agreement. The grants received from the EFA and other government bodies during the year ended 31 August 2016 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities. The academy trust received total revenue grant income of £11,584,000 (2015: £11,369,000) during the year. Details are shown in note 3 to the accounts.

The academy trust also received capital funding of £413,000 (2015: £626,000) during the year. This grant is shown in the Statement of Financial Activities as restricted fixed asset funds. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned. Details are shown in note 17 to the accounts.

The Academy Trust generated net income for the period of £61,000 (2015: £1,565,000). This includes assets transferred from Three Lane Ends Academy of £1,030,000 in the comparative year. A further £3,322,000 (2015: £79,000) has been provided for an actuarial loss on the defined benefit pension scheme.

At 31 August 2016 the net book value of tangible fixed assets was £16,050,000 (2015: £16,088,000). The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

Principal risks and uncertainties

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

Castleford Academy Trust

Trustees' Report (continued)

have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the statement below

Financial and risk management objectives and policies

The Academy Trust's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature the Academy Trust's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is also minimal.

Principal Risks and Uncertainties

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The academy trust has agreed a risk management strategy and is in the process of building a risk register and a risk management plan. The register and plan will be reviewed in light of any new information and formally reviewed annually.

The principal financial risks facing the Academy are as follows:

- Changes through School Funding Reform, which would impact the school from September 2014, including changes to high needs funding; and
- A significant drop in pupil numbers.

Reserves Policy

The Trustees review the level of reserves of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees consider it prudent that the academy trust maintains sufficient reserves to meet unexpected expenditure and a formal target level of reserves has been calculated to be £1,000,000, £175,000, £100,000 and £150,000 respectively for Castleford Academy, Castleford Park Junior Academy, Glasshoughton Infant Academy and Three Lane Ends Academy. Under EFA guidelines, there are no restrictions on the amount of the General Annual Grant (GAG) academies are permitted to carry forward.

The restricted general reserves are £2,045,000 at 31 August 2016 (excluding the pension reserve liability) and unrestricted reserves are £828,000, making a total of £2,873,000.

The Local Government Pension Scheme has been calculated to have an actuarial loss of £3,322,000 in the year with a deficit of £5,973,000 at 31 August 2016. However, the Academy Trust is presently only required to make capital contributions of £11,000 per annum for past service deficit over the next three years, so the impact of the deficit on cash flow is negligible.

Investment Policy

The Trustees' investment powers are governed by the Memorandum and Articles of Association and Funding Agreement with the Secretary of State. They restrict the investment vehicles that may be used. There are currently no funds available for long term investment and any surplus funds which are retained are placed on short term deposit.

Plans for Future Periods

GAG reserves are being set aside for the following projects and expenses:

- Property strategies to cope with an expanding school and increasing pupil numbers;
- Continued classroom refurbishment;
- Flood defence systems.

Funds Held as Custodian Trustee on Behalf of Others

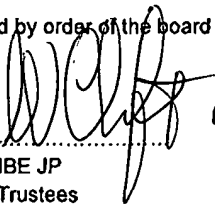
There are no funds held on behalf of others.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of trustees on 2 December 2016 and signed on its behalf by:

.....
W Clir MBE JP
Chair of Trustees

 MBE JP MEd

Castleford Academy Trust

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Castleford Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Mr W Clift MBE JP (Chairman)	6	6
Mr G Panayiotou (Headteacher)	6	6
Mr J Hughes	6	6
Mrs B Townsend (Executive Headteacher)	6	6
Mr A Fletcher	4	4
Mr J Iveson	1	2

Attendance during the year at meetings of the governing body of Castleford Academy were as follows:

	Meetings attended	Out of a possible
W Clift MBE JP (Chairman)	5	5
G Panayiotou (Headteacher)	4	5
J Hughes	5	5
D Cook	4	5
C Bland	1	5
A Kitchen	1	5
J Wilson	1	5
A Fender	3	5
K Scott	3	5
I Hobson	3	5
P Jennings	2	5
G Vessey	4	5
J Budby	1	5
G Scothern	2	5
A Fletcher	4	1

The finance and personnel committee of Castleford Academy is a sub-committee of the governing body. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
W Clift MBE JP (Chairman)	5	5
G Panayiotou (Headteacher)	5	5
J Hughes	4	5
D Cook (Deputy Headteacher)	5	5
C Bland	2	5
K Scott	3	5
J Budby	2	5
P Jennings	3	5

Castleford Academy Trust

Governance Statement (continued)

Attendance during the year at meetings of the governing body of Castleford Park Junior Academy were as follows:

	Meetings attended	Out of a possible
J Hughes	5	6
B Townsend (Executive Headteacher)	5	6
R Davies	6	6
N Huddleston	3	3
D Lister	0	1
J Lister	6	6
S Chum	4	6
A Smith (Business Manager)	5	6
A Duncan	5	6
K Law	6	6
E Briggs	2	2
L Walton	1	4
M Broom	2	4
K Patrick	2	4
R Potts	4	4
J Roberts	3	3
P Roe	3	4
C Stenton	2	2
A Walker	2	2

The finance and personnel committee of Castleford Park Junior Academy is a sub-committee of the governing body. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
J Hughes	5	6
B Townend (Executive Headteacher)	6	6
A Smith (Business Manager)	6	6
R Davies	6	6
D Lister	2	6
K Law	6	6
R Potts	2	6
J Roberts	2	6

Attendance during the year at meetings of the governing body of Glasshoughton Infant Academy were as follows:

	Meetings attended	Out of a possible
R Potts (Chairman)	3	6
B Townend (Executive Headteacher)	6	6
K Patrick	4	6
P Phelps	2	6
P Roe	5	6
P Stones	6	6
P Wagstaff	6	6
A Walker	6	6
P Moules	6	6
T Wallis	0	2
S Wright	2	6
P Becket	5	6
G Innes	1	2
K Law	1	1
A Smith	6	6

The finance and personnel committee of Glasshoughton Infant Academy is a sub-committee of the governing body. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
B Townend (Executive Headteacher)	6	6
A Smith (Business Manager)	6	6
P Wagstaff	6	6
A Walker	6	6
L Jennings (Acting Deputy Head)	3	6
R Potts	2	6
P Roe	4	6

Castleford Academy Trust

Governance Statement (continued)

Attendance during the year at meetings of the governing body of Three Lane Ends Academy were as follows:

	Meetings attended	Out of a possible
E Price	2	2
D Alleston	2	6
S Asprey	4	6
C Easton	5	6
L Ellis-Charlesworth	6	6
K Greateorex	6	6
K Greaves	3	6
J Heyworth	2	6
J Ingle	5	5
J Iveson	5	6
L Jagger	0	6
S Johnson	5	6
N Peaker	5	5
M Shaw	1	6
J Speight	6	6
J Swain	3	3

The finance and personnel committee of Three Lane Ends Academy is a sub-committee of the governing body. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
L Ellis-Charlesworth	5	6
K Greateorex	2	6
J Heyworth	3	6
J Ingle	6	6
J Iveson	5	6
S Johnson	6	6
M Shaw	0	6
J Speight	5	6

Review of Value for Money

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

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

Continuing Effective Procurement

All contracts continue to be appraised or negotiated in a timely manner to ensure best value is achieved in terms of suitability, efficiency, time and cost.

Achieving Greater Efficiencies

Budgets are strictly managed with opportunities being regularly sought for greater efficiency including reviewing best practice and bench marking with other similar schools.

Reviewing Controls and Managing Risks

A Business Continuity Management Plan continues to be developed in order to prepare for managing risks faced by Academies within the Trust, whether from internal system failures or external emergencies such as extreme weather.

Trustees, governors, senior leaders review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors.

Castleford Academy Trust

Governance Statement (continued)

The Purpose and 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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castleford Academy Trust for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Allotts Chartered Accountants as internal auditor.

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

- Benchmarking analysis
- Testing of cash handling

At least three times each year, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Only two internal audit visits took place during the academic year 2015/16. The internal audit scheduled to review HR practices was unavoidably delayed and has been rescheduled for the next academic year.

Review of Effectiveness

As accounting officer the headteacher 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 financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Castleford Academy Trust

Governance Statement (continued)

Approved by order of the members of the board of trustees on 2 December 2016 and signed on its behalf by:

.....
W Clift MBE JP
Chair of Trustees

.....
G Panayiotou
Accounting Officer

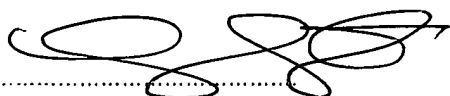
Castleford Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Castleford Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the multi-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 2015.

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 2015.

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



.....
G Panayiotou
Accounting Officer

.....
2.12.16

Castleford Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Castleford Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

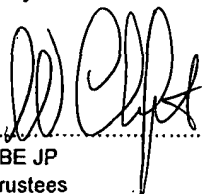
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 2 December 2016 and signed on its behalf by:


W Clift MBE JP
Chair of trustees

Castleford Academy Trust

Independent Auditor's Report to the Members of Castleford Academy Trust

We have audited the financial statements of Castleford Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016, 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 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Alistair Russell FCA
For and on behalf of
Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

15/12/16

Castleford Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Castleford Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 8 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castleford Academy Trust during the period from 1 September 2015 to 31 August 2016 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 Castleford Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Castleford Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Castleford Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Castleford Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Castleford Academy Trust's funding agreement with the Secretary of State for Education dated 19 September 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 period from 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

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 period from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

15/12/16

Castleford Academy Trust

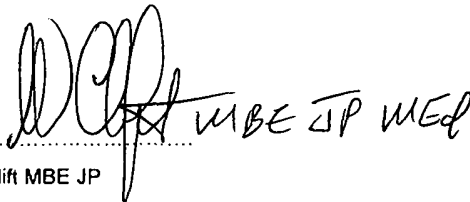
Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	-	125	288	413	626
Transfer from local authority on conversion		-	-	-	-	1,030
Charitable activities:						
Funding for the academy trust's						
educational operations	3	306	11,584	-	11,890	11,875
Other trading activities	4	189	413	-	602	535
Investments	5	19	-	-	19	15
Total		<u>514</u>	<u>12,122</u>	<u>288</u>	<u>12,924</u>	<u>14,081</u>
Expenditure on:						
Raising funds	6	96	-	-	96	89
Charitable activities:						
Academy trust educational operations	7	309	11,956	502	12,767	12,427
Total		<u>405</u>	<u>11,956</u>	<u>502</u>	<u>12,863</u>	<u>12,516</u>
Net income / (expenditure)		109	166	(214)	61	1,565
Transfers between funds	17	(4)	(163)	167	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16,23	-	(3,322)	-	(3,322)	79
Net movement in funds		<u>105</u>	<u>(3,319)</u>	<u>(47)</u>	<u>(3,261)</u>	<u>1,644</u>
Reconciliation of funds						
Total funds brought forward		723	(609)	16,158	16,272	14,628
Total funds carried forward		<u>828</u>	<u>(3,928)</u>	<u>16,111</u>	<u>13,011</u>	<u>16,272</u>

Castleford Academy Trust
Balance Sheet as at 31 August 2016

		2016	2015
	Note	£000	£000
Fixed assets			
Tangible assets	12	16,050	16,088
Investments	13	60	60
		<u>16,110</u>	<u>16,148</u>
Current assets			
Stock	14	3	1
Debtors	15	547	677
Cash at bank and in hand		3,536	2,993
		<u>4,086</u>	<u>3,671</u>
Creditors: Amounts falling due within one year	16	(1,212)	(1,180)
Net current assets		<u>2,874</u>	<u>2,491</u>
Total assets less current liabilities		<u>18,984</u>	<u>18,639</u>
Net assets excluding pension liability		<u>18,984</u>	<u>18,639</u>
Defined benefit pension scheme liability	23	(5,973)	(2,367)
Total assets		<u><u>13,011</u></u>	<u><u>16,272</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	17	16,111	16,158
Restricted income fund	17	2,045	1,758
Pension reserve	17	(5,973)	(2,367)
Total restricted funds		<u>12,183</u>	<u>15,549</u>
Unrestricted income funds	17	828	723
Total funds		<u><u>13,011</u></u>	<u><u>16,272</u></u>

The financial statements on pages 20 to 40 were approved by the trustees, and authorised for issue on 2 December 2016 and are signed on their behalf by:


W Clift MBE JP
Chair of trustees

07547039 (England and Wales)

Castleford Academy Trust

Statement of Cash Flows for the year ended 31 August 2016

		2016	2015
	Note	£000	£000
Cash flows from operating activities			
Net cash provided by operating activities	21	700	1,060
Cash flows from investing activities			
Interest receivable		19	15
Purchase of tangible fixed assets		(464)	(1,168)
Capital grants from DfE/EFA		285	165
Other capital grants		3	355
Cash transferred on conversion to academy		-	100
		<u>(157)</u>	<u>(533)</u>
Change in cash and cash equivalents in the reporting period		<u>543</u>	<u>527</u>
Cash and cash equivalents at 1 September 2015		2,993	2,466
Cash and cash equivalents at the 31 August 2016		<u>3,536</u>	<u>2,993</u>

Castleford Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016

1 Statement of Accounting Policies

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

Basis of Preparation

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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Castleford Academy Trust meets the definition of a public benefit entity under FRS 102.

These financial statements are the first financial statements of Castleford Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Castleford Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees 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.

Income

All incoming resources are recognised when the academy trust 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 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other Income

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

Donated goods, facilities and services

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Castleford Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016

1 Statement of Accounting Policies (continued)

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 Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land	Over 125 years, the term of the lease
Leasehold buildings	2% straight line
Fixtures, fittings and equipment	25% reducing balance
ICT hardware	25% straight line
Motor Vehicles	25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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 trust 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Castleford Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016

1 Statement of Accounting Policies (continued)

Investments

The academy's shareholding in the wholly owned subsidiary, Castleford Academy Trading Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Other investments are included in the balance sheet at their fair value. Any gain or loss on revaluation is included in the Statement of Financial Activities.

Stock

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

Taxation

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

Accordingly, the academy trust 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.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 trust 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 23, 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 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.

Fund Accounting

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

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

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

Castleford Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

Estimates and judgements 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 23, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible assets, and accounting policies for the depreciation rates used for each class of assets.

Critical areas of judgement

No significant judgements have been made in the process of applying the entity's policies.

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
DfE/EFA capital grants	-	410	410
Other capital grants	-	3	3
	<u>-</u>	<u>413</u>	<u>413</u>
	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
DfE/EFA capital grants	-	271	271
Other capital grants	-	355	355
	<u>-</u>	<u>626</u>	<u>626</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
DfE / EFA grants			
General Annual Grant (GAG)	-	10,373	10,373
Pupil premium	-	599	599
Other DfE/EFA grants	-	154	154
	<u>-</u>	<u>11,126</u>	<u>11,126</u>
Other Government grants			
SEN funding	-	131	131
Early years funding	-	301	301
Other local authority grants	-	26	26
	<u>-</u>	<u>458</u>	<u>458</u>
Other income from the academy trust's educational operations	306	-	306
	<u>306</u>	<u>11,584</u>	<u>11,890</u>
	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
DfE / EFA grants			
General Annual Grant (GAG)	-	10,134	10,134
Pupil premium	-	631	631
Start Up Grants	-	25	25
Other DfE/EFA grants	-	90	90
	<u>-</u>	<u>10,880</u>	<u>10,880</u>
Other Government grants			
SEN funding	-	120	120
Early years funding	-	238	238
Other local authority grants	-	131	131
	<u>-</u>	<u>489</u>	<u>489</u>
Other income from the academy trust's educational operations	506	-	506
	<u>506</u>	<u>11,369</u>	<u>11,875</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2016
	£000	£000	£000
Catering	-	413	413
Hire of facilities	50	-	50
Other income	139	-	139
	<u>189</u>	<u>413</u>	<u>602</u>

	Unrestricted Funds	Restricted Funds	Total 2015
	£000	£000	£000
Catering	-	411	411
Hire of facilities	32	-	32
Other income	92	-	92
	<u>124</u>	<u>411</u>	<u>535</u>

5 Investment Income

	Unrestricted Funds	Total 2016	Unrestricted Funds	Total 2015
	£000	£000	£000	£000
Bank interest receivable	<u>19</u>	<u>19</u>	<u>15</u>	<u>15</u>
	<u>19</u>	<u>19</u>	<u>15</u>	<u>15</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2016
	£000	£000	£000	£000
Expenditure on raising funds	55	-	41	96
Academy's educational operations:				
Direct costs	8,067	502	1,079	9,648
Allocated support costs	1,445	657	1,017	3,119
	<u>9,567</u>	<u>1,159</u>	<u>2,137</u>	<u>12,863</u>

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2015
	£000	£000	£000	£000
Expenditure on raising funds	57	-	32	89
Academy's educational operations:				
Direct costs	7,558	475	964	8,997
Allocated support costs	1,471	926	1,033	3,430
	<u>9,086</u>	<u>1,401</u>	<u>2,029</u>	<u>12,516</u>

Net income/(expenditure) for the period includes:

	2016	2015
	£000	£000
Operating lease rentals	45	52
Depreciation	502	475
Fees payable to auditor for:		
- audit	9	10
- other services	<u>7</u>	<u>8</u>

7 Charitable Activities

	Total	Total
	2016	2015
	£000	£000
Direct costs – educational operations	9,648	8,997
Support costs – educational operations	<u>3,119</u>	<u>3,430</u>
	<u>12,767</u>	<u>12,427</u>

	Total	Total
	2016	2015
	£000	£000
Analysis of support costs		
Support staff costs	1,445	1,471
Premises costs	657	926
Other support costs	989	1,005
Governance costs	<u>28</u>	<u>28</u>
	<u>3,119</u>	<u>3,430</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:	Total 2016 £000	Total 2015 £000
Wages and salaries	7,530	7,378
Social security costs	556	479
Operating costs of defined benefit pension schemes	1,283	1,156
	<u>9,369</u>	<u>9,013</u>
Supply staff costs	149	64
Staff restructuring costs	49	9
	<u>9,567</u>	<u>9,086</u>
Staff restructuring costs comprise:		
Redundancy payments	1	-
Severance payments	48	9
	<u>49</u>	<u>9</u>

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £48,000 (2015: £9,000). Individually, the payments were: £13,000, £15,000 and £20,000.

c. Staff numbers

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

	2016 No.	2015 No.
Teachers	131	132
Administration and support	240	237
Management	7	8
	<u>378</u>	<u>377</u>

d Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u>3</u>	<u>3</u>

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team at each academy as listed on pages 1 to 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £653,000 (2015: £613,000).

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

G Panayiotou (principal and trustee)(resigned 8 December 2015):

- . Remuneration £85,000 - £90,000(2015: £85,000 - £90,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

B Townsend (staff trustee)(resigned 8 December 2015):

- . Remuneration £75,000- £80,000 (2015: £55,000 - £60,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

No trustees' expenses were paid in the year ended 31 August 2016 (2015: £nil)

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost but is not separately identifiable.

11 Central Services

During the year Castleford Academy has provided the following central services to other academies within the trust, the charges for which are detailed below:

- . Human resources (time apportioned)
- . Payroll services (time apportioned)
- . IT support (time apportioned)
- . Property maintenance (amount per pupil)
- . PE support (amount per pupil)

The actual amounts charged during the year were as follows:

	2016	2015
	£000	£000
Castleford Park Junior Academy	31	31
Glasshoughton Infant Academy	16	16
Three Lane Ends Academy	22	17
	<u>69</u>	<u>64</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

12 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2015	16,505	564	524	3	17,596
Additions	360	80	24	-	464
At 31 August 2016	<u>16,865</u>	<u>644</u>	<u>548</u>	<u>3</u>	<u>18,060</u>
Depreciation					
At 1 September 2015	981	226	300	1	1,508
Charged in year	313	93	95	1	502
At 31 August 2016	<u>1,294</u>	<u>319</u>	<u>395</u>	<u>2</u>	<u>2,010</u>
Net book values					
At 31 August 2016	<u>15,571</u>	<u>325</u>	<u>153</u>	<u>1</u>	<u>16,050</u>
At 31 August 2015	<u>15,524</u>	<u>338</u>	<u>224</u>	<u>2</u>	<u>16,088</u>

13 Investments

	Other investments £000
Cost	
At 1 September 2015 and 31 August 2016	<u>60</u>
Net book values	
At 1 September 2015 and 31 August 2016	<u>60</u>

The academy trust owns the entire share capital of Castleford Academy Trading Limited, a company incorporated in England and Wales. The company was dormant during the year ended 31 August 2016 and had capital and reserves of £1 (2015: £1) at the year end. Consolidated financial statements have not been prepared to include Castleford Academy Trading Limited on the grounds that it is immaterial.

Other investments represent a Henry Moore sketch and a Henry Moore Roll of Honour on loan to Leeds Art Gallery and Wakefield City Council, respectively. These items have been valued, for insurance purposes, at £50,000 (2015 - £50,000) and £10,000 (2015 - £10,000), respectively.

14 Stock

	2016 £000	2015 £000
Clothing	<u>3</u>	<u>1</u>
	<u>3</u>	<u>1</u>

15 Debtors

	2016 £000	2015 £000
Trade debtors	10	5
VAT recoverable	105	224
Prepayments and accrued income	<u>432</u>	<u>448</u>
	<u>547</u>	<u>677</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

16 Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	195	57
Other creditors	27	39
Accruals and deferred income	990	1,084
	<u>1,212</u>	<u>1,180</u>

Deferred Income

	2016	2015
	£000	£000
Deferred income at 1 September 2015	362	45
Released from previous years	(357)	(40)
Resources deferred in the year	726	357
Deferred Income at 31 August 2016	<u>731</u>	<u>362</u>

Deferred income at the year end included:

- . Capital funding received in advance £620,000 (2015: £164,000)
- . Universal Free School Meals funding received in advance £73,000 (2015: £72,000)
- . Other grant income received in advance £19,000 (2015: £36,000)
- . Trip income received in advance £14,000 (2015: £85,000)
- . School fundraising income £5,000 (2015: £5,000)

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

17 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	1,628	10,373	(9,923)	(163)	1,915
Pupil Premium	-	599	(599)	-	-
Early years	-	301	(301)	-	-
Other DfE/EFA grants	-	154	(154)	-	-
SEN funding	-	131	(131)	-	-
Other local authority grants	-	26	(26)	-	-
Catering	-	413	(413)	-	-
Capital maintenance grant	-	125	(125)	-	-
Inherited assets and liabilities	130	-	-	-	130
Pension reserve	(2,367)	-	(284)	(3,322)	(5,973)
	<u>(609)</u>	<u>12,122</u>	<u>(11,956)</u>	<u>(3,485)</u>	<u>(3,928)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	1,049	285	(73)	-	1,261
Capital expenditure from GAG	1,263	-	(128)	160	1,295
Assets inherited on conversion	13,282	-	(288)	-	12,994
Other capital grants	557	3	(11)	-	549
Expenditure from other funds	7	-	(2)	7	12
	<u>16,158</u>	<u>288</u>	<u>(502)</u>	<u>167</u>	<u>16,111</u>
Total restricted funds	<u>15,549</u>	<u>12,410</u>	<u>(12,458)</u>	<u>(3,318)</u>	<u>12,183</u>
Total unrestricted funds	<u>723</u>	<u>514</u>	<u>(405)</u>	<u>(4)</u>	<u>828</u>
Total funds	<u>16,272</u>	<u>12,924</u>	<u>(12,863)</u>	<u>(3,322)</u>	<u>13,011</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

The other restricted general funds relate to grants and other income receivable from the DfE, EFA and other sources towards the operating activities of the academy trust.

The trustees of the academy trust have agreed to maintain free reserves of approximately £1,425,000 as contingency in order to protect the academy from unforeseen costs.

GAG reserves are being built up at the year end and are being set aside for the following projects and expenses:

- Increased staffing expenditure;
- Property strategies to cope with an expanding school and increasing pupil numbers;
- Continued classroom refurbishment;
- Flood defence systems;

The restricted fixed asset funds represent the net book values of donated fixed assets and assets purchased out of income from other sources which are held for the continuing use of the academy trust.

A deficit of £3,000 made on trips is funded out of the GAG, to ensure that no students miss out on opportunities gained from attending trips.

A transfer of £160,000 into the fixed asset fund represents fixed assets purchased out of GAG.

A transfer of £7,000 into the fixed asset fund represents fixed assets purchased out of the surplus school fund inherited.

Castleford Academy Trust
Notes to the Financial Statements for the year ended 31 August 2016 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
Castleford Academy	1,897	1,640
Castleford Park Junior Academy	480	481
Glasshoughton Infant Academy	214	209
Three Lane Ends Academy	282	151
Total before fixed assets and pension reserve	<u>2,873</u>	<u>2,481</u>
Restricted fixed asset fund	16,111	16,158
Pension reserve	<u>(5,973)</u>	<u>(2,367)</u>
Total	<u><u>13,011</u></u>	<u><u>16,272</u></u>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000	Total 2015 £000
Castleford Academy	5,147	1,041	339	1,267	7,794	7,686
Castleford Park Junior	1,056	234	59	439	1,788	1,561
Glasshoughton Infant	750	104	20	172	1,046	975
Three Lane Ends	1,151	84	48	450	1,733	1,819
Academy Trust	<u>8,104</u>	<u>1,463</u>	<u>466</u>	<u>2,328</u>	<u>12,361</u>	<u>12,041</u>

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	16,110	16,110
Current assets	828	3,257	1	4,086
Current liabilities	-	(1,212)	-	(1,212)
Pension scheme liability	-	(5,973)	-	(5,973)
Total net assets	<u>828</u>	<u>(3,928)</u>	<u>16,111</u>	<u>13,011</u>

19 Capital Commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	<u>280</u>	<u>-</u>

Castleford Academy Trust
Notes to the Financial Statements for the year ended 31 August 2016 (continued)

20 Commitments under operating leases

At 31 August 2016 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts due within one year	40	40
Amounts due between one and five years	58	94
Amounts due after five years	-	-
	<u>98</u>	<u>134</u>

21 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2016	2015
	£000	£000
Net income for the reporting period	61	1,565
Adjusted for:		
Depreciation charges (note 12)	502	475
Capital grants from DfE and other capital income (note 2)	(288)	(520)
Voluntary income - transfer on conversion	-	(1,030)
Interest receivable (note 5)	(19)	(15)
Defined benefit pension scheme cost less contributions payable (note 23)	200	205
Defined benefit pension scheme finance cost (note 23)	84	74
(Increase)/decrease in stocks	(2)	4
Decrease/(increase) in debtors	130	(384)
Increase in creditors	32	686
Net cash provided by Operating Activities	<u>700</u>	<u>1,060</u>

22 Members' Liability

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

Castleford Academy Trust

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

23 Pension and Similar Obligations

The academy trust'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 West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 0.05%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £743,000 (2015: £619,000).

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

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

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

23 Pension and Similar Obligations (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 2016 was £497,000 (2015: £494,000), of which employer's contributions totalled £340,000 (2015: £332,000) and employees' contributions totalled £157,000 (2015: £162,000). The agreed contribution rates for future years are 12.70% for employers and between 5.50% and 12.50% for employees depending on earnings.

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.

The academy trust makes additional contributions to WYPF to reduce the scheme deficit. Additional contributions of £11,000 were made during the year and additional contributions of approximately £11,000 per annum will be made in 2016/17. There is no agreement for deficit contributions after this, but it is expected that they will remain at a similar level.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.60%
Rate of increase for pensions in payment/inflation	1.90%	2.10%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	1.90%	2.10%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	24.9	24.6
Females	28.0	27.8

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£000	£000
Equity instruments	4,919	3,906
Bonds	1,008	772
Property	314	231
Other	309	237
Total market value of assets	6,550	5,146
Present value of scheme liabilities		
- funded	(12,523)	(7,513)
Deficit in scheme	(5,973)	(2,367)

The actual return on scheme assets was £1,009,000 (2015: £72,000).

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

23 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2016	2015
	£000	£000
Current service cost	(540)	(537)
Net interest cost	(84)	(74)
Total operating charge	<u>(624)</u>	<u>(611)</u>

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

	2016	2015
	£000	£000
At 1 September	7,513	6,134
Current service cost	540	537
Interest cost	287	255
Employee contributions	157	162
Actuarial loss/(gain)	4,128	(188)
Benefits paid	(102)	(122)
Net increase in liabilities from acquisitions	-	735
At 31 August	<u>12,523</u>	<u>7,513</u>

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

	2016	2015
	£000	£000
At 1 September	5,146	4,183
Return on plan assets (excluding net interest on the net defined pension liability)	203	181
Actuarial gain/(loss)	806	(109)
Employer contributions	340	332
Employee contributions	157	162
Benefits paid	(102)	(122)
Net increase in assets from acquisitions	-	519
At 31 August	<u>6,550</u>	<u>5,146</u>

Castleford Academy Trust

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

24 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Castleford Tigers Community Trust – a trust in which W Clift MBE JP (a trustee) has an interest:

The academy trust purchased sports coaching from Castleford Tigers Community Trust totalling £4,000 (2015: £4,000) during the year. At 31 August 2016 Castleford Academy Trust owed Castleford Tigers Community Trust £1,000 (2015: £nil).

The academy trust received lettings income from Castleford Tigers Community Trust totalling £3,000 (2015: £1,000) during the year for use of the academy trust's facilities. There was no money outstanding from Castleford Tigers Community Trust at 31 August (2015: £nil).

The academy trust made the purchases and sales at arms' length following a competitive tendering exercise in accordance with its financial regulations, in which W Clift MBE JP neither participated in, nor influenced.

In entering into the transactions the trust has complied with the requirements of EFA's Academies Financial Handbook 2015.

Castleford Town Football Club – a trust in which W Clift MBE JP (a trustee) has an interest:

The academy trust received lettings income from Castleford Town Football Club totalling £1,000 (2015: £4,000) during the year for use of the academy trust's facilities. At 31 August 2016 the academy trust was owed £1,000 (2015: £1,000) from Castleford Town Football Club.

The academy trust made the sales at arms' length following a competitive tendering exercise in accordance with its financial regulations, in which W Clift MBE JP neither participated in, nor influenced.

In entering into the transaction the trust has complied with the requirements of EFA's Academies Financial Handbook 2015.

25 Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income	31 August 2015 £000
Net income previously reported under UK GAAP	1,704
Change in recognition of LGPS interest cost	(139)
Net movement in funds reported under FRS 102	<u>1,565</u>

The transitional adjustments had no effect on the total funds at 31 August 2015.

Change in recognition of LGPS Interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £139,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.