

**Registrar's Copy**

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**



**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

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**BELMONT CASTLE ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Members</b>	S Smith J Sinclair P Charlesworth J Mays D Timson-Hunt
<b>Governors</b>	S Smith <sup>1</sup> J Sinclair <sup>1,2</sup> M Jones, Head Teacher <sup>1,2</sup> S Minns <sup>2</sup> V Freeman (resigned 4 October 2016) <sup>1</sup> I Woodward <sup>2</sup> P Charlesworth <sup>1,2</sup> D Timson-Hunt <sup>1</sup> J Mays (appointed 10 December 2015)  <sup>1</sup> Member of Personnel, Premises and Finance committee <sup>2</sup> Member of Curriculum and Pupil committee
<b>Company registered number</b>	08239056
<b>Company name</b>	Belmont Castle Academy
<b>Principal and registered office</b>	Parker Road Grays Essex RM17 5YN
<b>Company secretary</b>	C Clarke
<b>Accounting Officer</b>	M Jones
<b>Senior management team</b>	M Jones, Principal J Croom, Vice Principal P Boyles P Murthen E Sanderson S Joynes J Bullen
<b>Independent auditors</b>	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
<b>Bankers</b>	Lloyds TSB 34 High Street Grays Essex RM17 6LX

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Advisers (continued)**

<b>Solicitors</b>	Essex Legal Services County Hall Market Road Chelmsford Essex CM1 1QH
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**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

**Structure, governance and management**

**a. CONSTITUTION**

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

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

The governors of Belmont Castle Academy are also the directors of the charitable company for the purpose of company law.

The academy was incorporated on 3 October 2012 and commenced trading on that date. Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

There have been no/the following changes in the objectives since the last annual report.

**b. MEMBERS' LIABILITY**

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

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The management of the academy is the responsibility of the governors who are elected and co-opted under the terms of the Articles of Association

Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the members of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers. Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice-Chair are elected to the position annually, as are the Chairs of Sub-Committees.

**BELMONT CASTLE ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

The school provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy and the Academy purchases training from appropriate bodies where necessary.

**e. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

Staff pay is affected by legislation, and national and local pay agreements, which give the Governing body of Belmont Castle Academy significant flexibility to determine pay levels to meet local circumstances. The trusts pay policy complies with the School Teachers' Pay & Conditions Document (STPCD) and the accompanying statutory guidance and with national and local pay agreements for support staff and these documents will take priority in any disputes. The Policy is reviewed annually, in consultation with staff and unions.

The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery the curriculum and school improvement plans;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to school improvement;
- ensure that pay decisions are made in a fair and transparent way;
- ensure that available monies are allocated appropriately.

The senior leadership team's membership and pay is approved by the governing body, taking into consideration the organisational needs, structure, curriculum needs and affordability.

**Performance Management**

Performance Management is a developmental and supportive process designed to ensure that teachers and senior leaders have the skills and support they need to carry out their role and that they continue to improve their professional practice throughout their careers. Performance management reviewers will be responsible for the performance management process, in accordance with the Performance Management Policy. Performance Management objectives will be moderated across the school to ensure consistency and fairness in pay decisions. The Performance Management Review Statement will include a pay recommendation which will be made by:

- The Principal for Main Pay Range teachers and support staff
- The Principal for Upper Pay Range and Leadership Range teachers
- The Principal's Performance Management Review Panel for the principal.

**BELMONT CASTLE ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**f. ORGANISATIONAL STRUCTURE**

The Belmont Castle Academy is governed by the Governing Body and is constituted under a Memorandum of Association and Articles of Association.

The Governing Body is responsible for the strategic management of the school; deciding and setting key aspects such as the strategic direction, annual budgets, senior staff appointments, policy development and changes and ensuring compliance with legal requirements.

The Headteacher is the Accounting Officer and is supported by the senior leadership team. The Governing Body has delegated the day-to-day running of the Academy to the Headteacher and while it has retained responsibility for certain aspects of governance, the majority of roles and responsibilities are delegated to the Committees, as defined in the school's Standing Orders.

There are two main Committees, each with their own terms of reference:

- Finance, Audit, Premises and Personnel
- Curriculum and Pupil Related

**g. GOVERNORS' INDEMNITIES**

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

Our overall aim is to provide a stimulating environment which enables all children to enjoy learning and reach their individual potential.

Our general aims in relation to learning are:

- To provide a happy, safe and stimulating learning environment.
- To seek to ensure all of our children not only learn to read but develop a real love of reading.
- To offer a broad, balanced and stimulating curriculum (and learning environment) which is based on a 'book focused' approach.
- To offer our children first-hand experiences wherever possible.
- To challenge every child to achieve the highest standards of which s/he is capable.
- To enable pupils to develop self assurance, self esteem and self-reliance.
- To develop respect for other people, their religious, moral, and cultural values.
- To encourage involvement in the community, and respect for its values and for the environment.
- To develop mutually beneficial relationships with parents and the local community

The school is committed to safeguarding and promoting the welfare of children and expects all staff and volunteers to share this commitment.

**BELMONT CASTLE ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

To be working towards addressing the **two issues** that arose out of our recent Section 8 Ofsted inspection.

To have addressed the **recent (May 2016) 'dip' in Reading at the end of Key Stage 2**, by ensuring that there is a greater emphasis on teaching the skills linked to, comprehension, inference, vocabulary and speed reading.

Ensuring that in maths children have increased opportunity to take part in **problem solving/reasoning** type activities and that this is consistent throughout the school.

To **further develop our assessment and tracking systems**, introduced in 2015, in particular the way in which we use and interpret our PIRA and PUMA data.

To have increased the percentage of children 'AT' (and exceeding) Age Related Comparisons year on year and to be **closing the gap with National**, reading 66%, Writing 75%, Maths 70%. The combined RWM figure to also have closed with National 53%.

To continue to work towards becoming a **Visible Learning School**. For concepts such the 'learning Pit' and 'Growth mindsets' to be evident as you go around the classrooms, in the form of displays and also the children's ability to articulate what these terms mean and using them routinely to support learning.

Through Visible Learning, and VL Awards, seek to develop the follow key life skills within our children: **curiosity, resilience, independence, perseverance and determination**.

Continue to build on recent improvements in parental engagement, especially in reading (particularly in KS1), through the **lending library, home reading** and through encouraging more parents to take part in the **'Early Bird' reading initiative**.

**Improving transition** from one year to the next by teachers working more closely to help quickly identify which children need to make accelerated progress through data analysis and work scrutiny and providing earlier intervention (included in this SEND, EAL and PP).

To continue to ensure that the percentage of year 1 children passing the **PSC** is above National figure. This also applies to those in year 2 who do the re-takes.

Further develop the use of **iPad technology** through sharing good practice in its use throughout the whole curriculum.

To provide increased opportunities for pupils to be involved in their learning through for example, understanding what makes a successful learner, aware of how they can improve their work, along with the development of **collaborative marking**.

Further **developing the role of subject leaders**.

Ensuring that the **'Additional' teacher** in each year group is having a positive impact specifically in terms of the amount of progress being made with no year group making less than 'good' progress.

To ensure that the **quality of leadership and management** (as judged by the parents and in terms of outcomes) remains high despite not having a substantive deputy in post.

**c. PUBLIC BENEFIT**

The Academy provides educational services to all children in the local area. The Governors confirm that they have complied with the Charities Act to have due regard to the public benefit guidance provided by the Charity Commission.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Achievements and performance**

**a. KEY PERFORMANCE INDICATORS**

- The percentage of children making a GLD was above National (78%, Prime Goals 81%) and has been above for the last 3 years.
- The percentage of children in year 1 reaching the expected level in the Phonics Screening Check (PSC) was in-line with National and it is above in year 2 (it was above for both in 2015).
- The KS1 SAT outcomes are the highest to date with Reading, Writing and Maths all above National.
- The school, up until 2016, had been on an upwards, improving trajectory for the last 5 years in all key areas. There was a significant 'dip' in terms of the Reading result at the end of KS2 in 2016, which is now being addressed tenaciously, through taking a different approach which focuses on developing comprehension and inference skills, as well as children's ability to speed read.
- Prior to the 'dip' in 2016, our school had been on an improving trajectory, with KS2 value added scores, for example, broadly average or above in all subjects in 2015 and in terms of progress scores we were above National.
- Children's attendance is the highest it's ever been at BCA at 96.4%.
- Our school is oversubscribed with waiting lists in every year group, furthermore, there were nearly 200 applications for the 90 places in Reception.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**b. REVIEW OF ACTIVITIES**

**Progress that the children are making (as taken from our SEF – Autumn 2016)**

*'The proportion of children that reach a good level of development in the Reception classes is above average. The progress they make is good. Most of the pupils, regardless of their starting points, make good progress in key stages 1 and 2 when developing their arithmetic skills, reading and writing. Last year, assessment information shows that some of the disadvantaged pupils in the school underachieved when compared to the others. You have addressed this issue with determination. This year it is evident that these pupils are making better progress. Specialist teachers for art, music and PE ensure that pupils benefit from good-quality learning opportunities and consequently produce work or perform to a high standard'.*

*(Section 8 Inspection Findings – May 2016)*

**Data Dashboard 2016**

**Strengths -**

- KS1 attainment at least at the expected standard in all subjects
- KS1 disadvantaged attainment at least at the expected standard in all subjects
- EYFS development groups was close to or above National
- We were above floor for progress measures

**Weaknesses -**

- KS2 Progress in Reading significantly below average
- KS1 Reading, Writing and Maths below for expected +
- KS1 attainment well below for expected +

**Explanation for 'dip' in Reading -**

Our year 6 pupils last year, really struggled with the Reading test, for example, 16 children very narrowly missed out on being 'Secondary Ready' by only a few marks, between 3 or 4 questions wrong, achieving a standardised score of between 95 and 99. One of the factors that contributed to this outcome being our decision to use the PIRA (Progress in Reading and Assessment) test from September 2015 to assess the children's reading ability. We followed PIRA's SS banding which stated that children who achieved a SS of between 85 and 99 were 'low average'. Had we known at the time that there was a strong correlation between PIRA outcomes and the SAT test scores, we would have targeted those children a lot more closely, as we are confident we would have got all 16 over the 100 threshold, therefore 'secondary ready'. Had those 16 children achieved a SS of 100 or more, then reading would have come out 1% below National and our combined would have been 49%, 4% below national.

Our school was not alone in experiencing a significant drop in Reading results last year. This was due to a number of factors, some of which were cited above, but also because this was a new test for 2016 which focused on children's comprehension and inference skills. We have introduced changes in the way we teach reading from September 2016 which should address this for 2017, key to which is our move from Guided Reading sessions to Reading comprehension.

**Data Dashboard - 2015**

- KS2 value added was broadly average or above in all subjects.?
- The proportion of Year 1 pupils that met the expected standard in phonics was above the national figure.
- In terms of the 'floor standards' we exceed them. R,W, M combined 80% (above National), 2 levels progress Writing 100% (exceeding Nat), Maths 96% (exceeding Nat), Reading 90% (slightly below).

**Raise on-line data – 2015**

- In terms of the tables towards the end of RoL which compares 'expected' and 'more than expected' progress of our children against National, BCA comes out very similar in Reading, whilst in Writing and Maths it exceeds the National figure.

**Evidence in other year groups**

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

- Progress in other year groups has improved noticeably, as a consequence of the introduction of measures such as the Additional teachers in every year group and also Lead Practitioners from 2014. This is leading to much greater consistency not just in terms of progress in lessons, but marking and progress in books, quality of the learning environment and also children's attitudes to learning.
- Progress in the other year groups was also identified as a strength in our most recent section 8 inspection;

***'Most of the pupils, regardless of their starting points, make good progress in key stages 1 and 2 when developing their arithmetic skills, reading and writing'.***

***(Inspection Findings – May 2016)***

**Other Indicators**

Other indicators include; our children's 'Attitudes to Learning' which was recently graded as being 'outstanding' by an external School Improvement Consultant as was the quality of our Learning Environment. Our attendance figures are the highest they have ever been with very low rates of exclusion, bullying related or racial incidents. In the most recent survey of Parental views carried out in October 2016, 100% were in agreement that their child was making good progress and was well taught and 98% believed that their child was happy in school and felt safe. We had an excellent response from parents to the survey, with 304 taking part, which represents 56% of our school population.

The reason why our school continues to be regarded by Ofsted and other external agencies as such a good one, is due in large part to having such an excellent staffing team. Teaching and learning has never been as good as it currently is, with exceptionally good peer support which is leading to much improved progress rates. Having additional teachers in every year group means the use of supply / agency teachers is now redundant, ensuring that the children are exposed to uninterrupted 'first quality' teaching. Linked to this is our engaging and very relevant 'book focused' curriculum, which is enriched through the use of excellent resources, visits and visitors, the children's author, Anne Fine, being a good example. Visits by authors such as Anne is helping to inspire our children and to develop a love of reading, evident when you talk to them.

The introduction of iPad technology throughout the whole school a couple of years ago, is now having a significant impact both in terms of learning and progress. As part of this change all the Interactive Whiteboards were replaced with large screen monitors and Apple receivers. Although a considerable expense it is clearly having a hugely beneficial effect making learning a lot more engaging and enriching for the children. Through working with another school, Flitch Green Academy', who has already gone down this route and also a provider 'Toucan', we were able to select a small number of apps which are helping to make a difference and which compliant everything else we are doing in our school to improve teaching and learning.

As a way of improving our music provision we recently purchased our own set of steel pans and employed a specialist teacher from Thurrock music services to teach the children. As a consequence of doing this we now have 180 children every week playing the steel pans. Furthermore, our school have performed last year on World Music Day at the world famous 'Backstage Centre', as well as both nights at the Thurrock Music festival.

**Summary of achievements for academic year 15/16**

The outcome of recent Section 8 inspection (May 2016).

'The leadership team has maintained the good quality of education in the school since the last inspection. You and your team have created a rich and safe learning environment. The very attractive corridors, classrooms and outside areas celebrate pupils' achievements and demonstrate the high expectations that teachers have of the work produced by pupils'.

- ✓ **Writing outcomes, both KS1 and 2 which are both above National.**
- ✓ **Phonics Screening Check in-line with National for year 1 and above for Year 2 pupils.**
- ✓ **KS1 results highest to date, with Reading, Maths and Writing all above National.**
- ✓ The percentage of children in Early Years making a good level of development, is **above National** for the third consecutive year.
- ✓ BCA Cross Country team selected as the '**Sports team of the Year**' in the SSCO partnership annual awards.
- ✓ Success of our sporting teams; **Athletics, Cross Country, Gymnastic** and **Cricket** either coming first or second in Thurrock or doing well at County level.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

- ✓ **Steel Pan group** performing at both the 'World Music Day' and Borough music festival.
- ✓ Attendance at **Mother's Day** event, with 370 mums spending the day in school.
- ✓ Impact of our iPads are having particularly in terms of children's '**attitudes to learning**'.
- ✓ The positive impact on learning that '**Visible Learning**' is having on our children
- ✓ **Attendance** is the highest it's ever been at 96.4%.
- ✓ Success of events such as; **Queen's 90th birthday, Spring concert, Multicultural day, Spanish Day, Art exhibition, Medieval Banquet, St George's Day, year 5 Cats performance.**
- ✓ Prestigious visitors such as **Anne Fine**.
- ✓ Attendance at parents meeting is now higher than it has ever been before including New Intake meetings for Nursery and Reception.
- ✓ Impact that both our **Lead Practitioners** and also **Additional Teachers** are having on the effectiveness of teaching and learning throughout the school. It also meant that hardly ever do we use supply / agency staff.
- ✓ The quality of our **Learning Environment** which is very evident when you walk around the school.
- ✓ Children's behaviour around the school is outstanding.
- ✓ Our school has benefitting from some **special partnerships** including, the ROH and their 'Chance to Dance' programme, Flitch Green Academy and their innovative approach to using iPads and Chelsea Football Club supporting the teaching of games.

**Parents**

The relationship we have with our parents continues to go from strength to strength as reflected in the most recent survey of their views carried out earlier on this term. The survey which was carried out during Parents Evening and which represented the views of 56% of our parents was overwhelmingly positive. In particular, the percentage of parents who either agreed or strongly agreed to questions relating to; their child feeling safe, happy, the degree to which they were making progress or even well taught was in all cases ranged between 98% and 100%.

**c. INVESTMENT POLICY AND PERFORMANCE**

The charitable company's current policy is to invest surplus funds in short-term cash deposits. There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

For the period ended 31st August 2016, the charitable company's cash balances generated a return of £1,111.

**Financial review**

**a. GOING CONCERN**

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

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Belmont Castle Academy started operating as an Academy on 1 December 2012.

The majority of the Academy's income is derived from the Education Funding Agency (EFA), (formerly the Young People's Learning Agency). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the EFA and local authority; all these grants are shown as restricted income.

Funding has continued to support our key objective of raising teaching and learning standards, with a particular focus on the development of literacy skills through the provision of extra teaching and support staff.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

**d. RESERVES POLICY**

The Governing Body regularly monitors the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums.

The Academy had total funds at 31 August 2016 of £872,852 which included £596,954 restricted funds not available for general purposes of the Academy Trust, £275,898 of free reserves defined as unrestricted funds available for general purposes and £6,227,998 which can only be realised by the disposal of tangible fixed assets.

The Governing Body maintains a prudent level of reserves in line with their policy to spend funding received on the pupils in the Academy at that time, except where a specific project required funding to be built up over several years. Governors must consider both the needs of today's pupils as well as the future of the school when setting the reserves policy. Holding back excessive funds for a rainy day may damage the education of current pupils. Conversely, fully spending all of the current funds leaving no money for investment in the future of the school can damage the education of tomorrow's pupils. The school has identified four main areas where reserves are required in order for the school to remain operational;

- Staffing – to allow the school to maintain the additional teacher in every year group initiative and to allow for any redundancies resulting from a drop in children on roll.
- Building – to cover any major capital projects or expansion projects and to allow the school to remain open should a major incident occur.
- Falling roll – the school has two years of four form entry children, when these children eventually leave the impact on the school's budget will cause it to fall despite the infrastructure remaining the same.
- General – potential changes to funding formulae that impact on the Trust. To provide sufficient working capital to cover delays between spending and receipt of grants.

On conversion, the Academy was operating with a Local Government Pensions Scheme Deficit of £809,000. However, the Academy has recognised the deficit, employer's pension contributions (as a percentage of gross pay) have been reduced and a fixed sum is being repaid each month in order to slowly repay the deficit. As a result, there is no actual cash flow deficit on the fund, or direct impact on the free reserves of the Academy Trust because of recognising the deficit

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**e. PRINCIPAL FUNDING**

The Academy accounting period is for the year ended 31st August 2016. The operations of Belmont Castle Academy started from 1st December 2012.

Most of the academy's income is derived from the Education Funding Agency (EFA). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for Capital expenditure from the EFA and local authority, all these grants are shown as restricted income.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

**Our Priorities for 2016 as written in our School Improvement Plan (Autumn 2016)**

- To be working towards addressing the **two issues** that arose out of our recent Section 8 Ofsted inspection.
- To have addressed the **recent (May 2016) 'dip' in Reading at the end of Key Stage 2**, by ensuring that there is a greater emphasis on teaching the skills linked to, comprehension, inference, vocabulary and speed reading.
- Ensuring that in maths children have increased opportunity to take part in **problem solving / reasoning** type activities and that this is consistent throughout the school.
- To further **develop our assessment and tracking systems**, introduced in 2015, in particular the way in which we use and interpret our PIRA and PUMA data.
- To have increased the percentage of children 'AT' (and exceeding) Age Related Comparisons year on year and to be **closing the gap with National**, reading 66%, Writing 75%, Maths 70%. The combined RWM figure to also have closed with National 53%.
- To continue to work towards becoming a **Visible Learning School**. For concepts such as the 'learning Pit' and 'Growth mindsets' to be evident as you go around the classrooms, in the form of displays and also the children's ability to articulate what these terms mean and using them routinely to support learning.
- Through Visible Learning, and VL Awards, seek to develop the following key life skills within our children: **curiosity, resilience, independence, perseverance and determination**.
- Continue to build on recent improvements in parental engagement, especially in reading (particularly in KS1), through the **lending library, home reading** and through encouraging more parents to take part in the **'Early Bird' reading initiative**.
- **Improving transition** from one year to the next by teachers working more closely to help quickly identify which children need to make accelerated progress through data analysis and work scrutiny and providing earlier intervention (included in this SEND, EAL and PP).
- To continue to ensure that the percentage of year 1 children passing the **PSC** is above National figure. This also applies to those in year 2 who do the re-takes.
- Further develop the use of **iPad technology** through sharing good practice in its use throughout the whole curriculum.
- To provide increased opportunities for pupils to be involved in their learning through for example, understanding what makes a successful learner, aware of how they can improve their work, along with the development of **collaborative marking**.
- Further **developing the role of subject leaders**.
- Ensuring that the **'Additional' teacher** in each year group is having a positive impact specifically in terms of the amount of progress being made with no year group making less than 'good' progress.
- To ensure that the **quality of leadership and management** (as judged by the parents and in terms of outcomes) remains high despite not having a substantive deputy in post.

**BELMONT CASTLE ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**FUNDS HELD AS CUSTODIAN**

The Belmont Castle Academy does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

**DISCLOSURE OF INFORMATION TO AUDITORS**

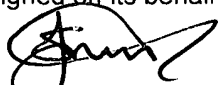
Each of the persons who are governors at the time when this Governors' report is approved has confirmed that:

- so far as that governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that governor has taken all the steps that ought to have been taken as a governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, MWS, have indicated their willingness to continue in office. The Designated governors will propose a motion re-appointing the auditors at a meeting of the governors.

This report was approved by order of the board of trustees as the company directors, on 7 December 2016 and signed on its behalf by:



**S Smith**  
**Chair of Trustees**

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As governors, we acknowledge we have overall responsibility for ensuring that Belmont Castle Academy 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Belmont Castle Academy 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 Governors' report and in the Statement of governors' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
S Smith	4	4
J Sinclair	3	4
M Jones, Head Teacher	4	4
S Minns	3	4
V Freeman	2	4
I Woodward	2	4
P Charlesworth	4	4
D Timson-Hunt	4	4
J Mays	2	2

During the year J Mays was appointed. V Freeman resigned after the year end.

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to carry out the detailed scrutiny of the academy trust's finances. Attendance at meetings during the year was as follows

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Smith	1	3
J Sinclair	3	3
M Jones, Head Teacher	3	3
V Freeman	1	2
D Timson-Hunt	2	3
I Woodward	0	1
J Mays	2	2
P Charlesworth	3	3

The Curriculum and Pupil Committee is also a sub-committee of the main board of trustees. Its purpose is to deal with all matters concerning the curriculum.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Smith	2	3
V Freeman	1	1
I Woodward	3	3
J Mays	2	2



**BELMONT CASTLE ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

J Sinclair	3	3
P Charlesworth	2	3
D Timson hunt	2	2
M Jones	3	3
S Minns	2	3

**REVIEW OF VALUE FOR MONEY**

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

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

**Educational Outcomes**

Taken from our most recent Section 8 Ofsted Inspection – May 2016

*'The proportion of children that reach a good level of development in the Reception classes is above average. The progress they make is good. Most of the pupils, regardless of their starting points, make good progress in key stages 1 and 2 when developing their arithmetic skills, reading and writing. Last year, assessment information shows that some of the disadvantaged pupils in the school underachieved when compared to the others. You have addressed this issue with determination. This year it is evident that these pupils are making better progress. Specialist teachers for art, music and PE ensure that pupils benefit from good-quality learning opportunities and consequently produce work or perform to a high standard'.*

(Section 8 Inspection Findings – May 2016)

**Key Performance Indicators**

- The percentage of children making a GLD was above National (78%, Prime Goals 81%) and has been above for the last 3 years.
- The percentage of children in year 1 reaching the expected level in the Phonics Screening Check (PSC) was in-line with National and it is above in year 2 (it was above for both in 2015).
- The KS1 SAT outcomes are the highest to date with Reading, Writing and Maths all above National. The school, up until 2016, had been on an upwards, improving trajectory for the last 5 years in all key areas. There was a significant 'dip' in terms of the Reading result at the end of KS2 in 2016, which is now being addressed tenaciously, through taking a different approach which focuses on developing comprehension and inference skills, as well as children's ability to speed read.
- Prior to the 'dip' in 2016, our school had been on an improving trajectory, with KS2 value added scores, for example, broadly average or above in all subjects in 2015 and in terms of progress scores we were above National.
- Children's attendance is the highest it's ever been at BCA at 93.4%.
- Our school is oversubscribed with waiting lists in every year group, furthermore, there were nearly 200 applications for the 90 places in Reception.

**Other Indicators**

Other indicators include; our children's 'Attitudes to Learning' which was recently graded as being 'outstanding' by an external School Improvement Consultant as was the quality of our Learning Environment. Our attendance figures are the highest they have ever been with very low rates of exclusion, bullying related or racial incidents. In the most recent survey of Parental views carried out in October 2016, 100% were in agreement that their child was making good progress and was well taught and 98% believed that their child was happy in school and felt safe. We had an excellent response from parents to the survey, with 304 taking part, which represents 56% of our school population.

The reason why our school continues to be regarded by Ofsted and other external agencies as such a good one, is due in large part to having such an excellent staffing team. Teaching and learning has never been as good as it currently is, with exceptionally good peer support which is leading to much improved progress rates. Having additional teachers in every year group means the use of supply / agency teachers is now redundant, ensuring that the children are exposed to uninterrupted 'first quality' teaching. Linked to this is our engaging and very

**BELMONT CASTLE ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

relevant 'book focused' curriculum, which is enriched through the use of excellent resources, visits and visitors, the children's author, Anne Fine, being a good example. Visits by authors such as Anne is helping to inspire our children and to develop a love of reading, evident when you talk to them.

The introduction of iPad technology throughout the whole school a couple of years ago, is now having a significant impact both in terms of learning and progress. As part of this change all the Interactive Whiteboards were replaced with large screen monitors and Apple receivers. Although a considerable expense it is clearly having a hugely beneficial effect making learning a lot more engaging and enriching for the children. Through working with another school, Flitch Green Academy', who has already gone down this route and also a provider 'Toucan', we were able to select a small number of apps which are helping to make a difference and which compliant everything else we are doing in our school to improve teaching and learning.

As a way of improving our music provision we recently purchased our own set of steel pans and employed a specialist teacher from Thurrock music services to teach the children. As a consequence of doing this we now have 180 children every week playing the steel pans. Furthermore, our school have performed last year on World Music Day at the world famous 'Backstage Centre', as well as both nights at the Thurrock Music festival.

**The impact of having Additional Teachers in every year group**

We took the decision from September 2014 to introduce an 'additional teacher' in every year group. This came about as a result of visiting a number of outstanding schools to determine what was making the difference, with the additional teacher initiative being cited as one of the key factors contributing to their success.

Having an additional teacher in every year group, ensures that all our children are being taught by practitioners who know them, thus ensuring that they are exposed to 'Quality First' teaching on a consistent basis, which impacts both on learning behaviour and progress. This approach also provides excellent opportunities for coaching and sharing of good practice amongst the teaching team.

Although on the surface this would appear a costly initiative, it is offset by the fact that we no longer need to rely on agency / supply teachers which can prove very costly and we don't pay into the sickness absence insurance which for a school our size is very expensive.

It is also not a coincidence that our school received a 'glowing' Ofsted inspection in May this year, which praised the school for having addressed all the issues from the last full inspection. Our results in 2016 were also the highest to date, other than at KS2 where there was a significant difference from the previous year, although these were new tests with much greater challenge and so no meaningful comparison can be made to previous years.

**Financial Governance and Oversight**

We are fortunate in that we have Governing Body who come from a wide variety of backgrounds, such as nursing, the police, local firms and HMRC. Collectively they are a strong Governing Body with the necessary skills set to challenge and make informed decisions. The Chair of Governors for example, regularly makes visits to the school recognising how important it is to see 'first-hand' what is going on in the school rather than relying on hearing from the Principal at meetings. Through their visits and discussions with members of the leadership team, the Governing Body has a good understanding of the strengths of the school along with the aspects requiring further development, and what plans the school has in place to address these.

**Better Purchasing**

The academy regularly reviews all of its annual contracts to ensure best value is being achieved. Benchmarking continues to be used to highlight areas of expenditure that may need further investigation or improvement or to provide proof that the academy is in fact spending its money wisely.

As budgets remain ever more challenging, with increases to staffing budgets in the form of rising pensions and national insurance contributions, the introduction of the national minimum wage and no increase in pupil led funding, schools need to make efficiency saving wherever possible. The academy recently reviewed its print management provision and has disposed of all expensive and non-cost effective printers for a complete print managed system from Konica Minolta. Apart from being a cost effective system it is also having a massive impact on sustainability.

The school has recognised the importance of assisting existing staff into teaching roles. This not only improves morale in the school by giving individuals the opportunity they otherwise thought not possible but also the financial stability they need in order to progress. This has in turn provided a solution to the problem of teacher

**BELMONT CASTLE ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

recruitment and reduced recruitment costs.

Over the last two years' new low cost LED lighting has been installed in most areas of the school in place of the old costly lighting. In addition, PIR switches have replaced lighting normally left on all day in corridors, halls and toilets, leading to greater energy efficiency and sustainability.

**Reviewing Controls and Managing Risks**

As accounting officer, I have 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 Governors assisted by Essex County Councils Internal Control Evaluation service;
- the work of the external auditor;
- the work of the senior leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

I have been advised of the implications of the result of their review of the system of internal control by the governors' finance pay and personnel committee and a plan to ensure continuous improvement of the system is in place, aided by accountancy services from MWS.

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 and five year budget and periodic financial reports which are reviewed and agreed by the board of trustees.
- termly reviews by the finance pay and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- monthly financial and management reports covering all departmental expenditure, and revenue budgets.
- 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.

As is normal practice, the Finance Pay and Personnel Committee reviewed the staffing structure and budget within the Academy to ensure that the Academy had the best structure in place both financially and academically.

The School Bursar regularly attends networking meetings with other School Business Managers/Bursars to share good practice and is a member of the National Association of School Business Managers. The association provides help and support in various ways in procurement and good practice.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Belmont Castle Academy for the year 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 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Premises 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 Essex Finance as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal 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. Essex Finance delivered the requisite works during the year and there were no material deficiencies in the controls in place within the academy.

**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on their behalf, by:

  
**S Smith**  
**Chair of Trustees**

  
**M Jones**  
**Accounting Officer**

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

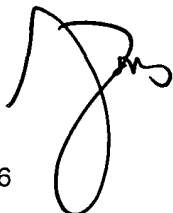
As Accounting Officer of Belmont Castle Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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.

**M Jones**  
**Accounting Officer**

Date: 09 December 2016

A handwritten signature in black ink, appearing to be 'M Jones', written over a large, stylized loop.

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:



**S Smith**  
**Chair of Trustees**

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BELMONT CASTLE ACADEMY**

We have audited the financial statements of Belmont Castle Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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 charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Statement of governors' responsibilities, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**UNQUALIFIED OPINION**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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 Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

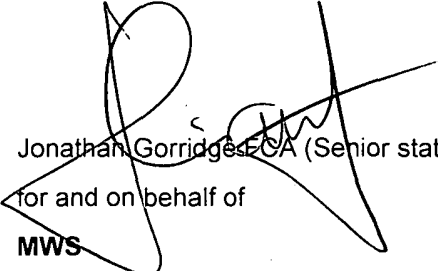
**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BELMONT CASTLE ACADEMY**

**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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

**MWS**

Chartered Accountants  
Statutory Auditor

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE  
7 December 2016



**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BELMONT CASTLE ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 February 2013 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 Belmont Castle Academy during the year 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 Belmont Castle Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Belmont Castle Academy and the 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 Belmont Castle Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BELMONT CASTLE ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Belmont Castle Academy's funding agreement with the Secretary of State for Education dated 27 September 2012, 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 year 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 the 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's income and expenditure.

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

**BELMONT CASTLE ACADEMY**  
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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO BELMONT CASTLE  
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
Reporting Accountant

Kingsridge House  
601 London Road  
Westcliff-on-Sea  
Essex  
SS0 9PE

7 December 2016

**BELMONT CASTLE ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	11,999	39,516	51,515	44,496
Charitable activities	5	3,301,308	-	-	3,301,308	3,282,121
Other trading activities	3	-	-	113,636	113,636	93,522
Investments	4	-	-	1,111	1,111	1,069
<b>TOTAL INCOME</b>		<b>3,301,308</b>	<b>11,999</b>	<b>154,263</b>	<b>3,467,570</b>	<b>3,421,208</b>
<b>EXPENDITURE ON:</b>						
Raising funds		-	-	549	549	777
Charitable activities		3,242,761	291,613	177,506	3,711,880	3,591,955
<b>TOTAL EXPENDITURE</b>	8	<b>3,242,761</b>	<b>291,613</b>	<b>178,055</b>	<b>3,712,429</b>	<b>3,592,732</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	58,547 (37,570)	(279,614) 37,570	(23,792) -	(244,859) -	(171,524) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		20,977	(242,044)	(23,792)	(244,859)	(171,524)
Actuarial gains/(losses) on defined benefit pension schemes	22	(698,000)	-	-	(698,000)	35,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(677,023)</b>	<b>(242,044)</b>	<b>(23,792)</b>	<b>(942,859)</b>	<b>(136,524)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(650,023)	6,470,042	299,690	6,119,709	6,256,233
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(1,327,046)</b>	<b>6,227,998</b>	<b>275,898</b>	<b>5,176,850</b>	<b>6,119,709</b>


**BELMONT CASTLE ACADEMY**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08239056

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	2015 £
<b>FIXED ASSETS</b>				
Tangible assets	14		6,227,999	6,470,043
<b>CURRENT ASSETS</b>				
Debtors	15	55,976	64,793	
Cash at bank and in hand		1,011,973	1,009,618	
		<u>1,067,949</u>	<u>1,074,411</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(195,098)	(303,745)	
<b>NET CURRENT ASSETS</b>			872,851	770,666
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,100,850	7,240,709
Defined benefit pension scheme liability	22	(1,924,000)	(1,924,000)	(1,121,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>5,176,850</u>	<u>6,119,709</u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	17	596,954	470,977	
Restricted fixed asset funds	17	6,227,998	6,470,042	
Restricted income funds excluding pension liability		6,824,952	6,941,019	
Pension reserve		<u>(1,924,000)</u>	<u>(1,121,000)</u>	
Total restricted income funds			4,900,952	5,820,019
Unrestricted funds	17		275,898	299,690
<b>TOTAL FUNDS</b>			<u>5,176,850</u>	<u>6,119,709</u>

The financial statements were approved by the governors, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:

**S Smith**  
Chair of Trustees



**M Jones**  
Accounting Officer



The notes on pages 28 to 45 form part of these financial statements.

**BELMONT CASTLE ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>38,814</u>	<u>181,560</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,111	1,069
Purchase of tangible fixed assets		(49,569)	(270,393)
Capital grants from DfE/EFA		<u>11,999</u>	<u>11,866</u>
<b>Net cash used in investing activities</b>		<u>(36,459)</u>	<u>(257,458)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>2,355</b>	<b>(75,898)</b>
Cash and cash equivalents brought forward		<u>1,009,618</u>	<u>1,085,516</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,011,973</u></u>	<u><u>1,009,618</u></u>

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. 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.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Belmont Castle Academy constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Belmont Castle Academy 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 Belmont Castle 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 governors have amended certain accounting policies to comply with FRS 102 and SORP 2015. The governors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.2 Going concern**

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

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**1.4 Expenditure**

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

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

Charitable activities and Governance costs 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.

All resources expended are inclusive of irrecoverable VAT.

**BELMONT CASTLE ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line basis
Fixtures and fittings	-	25% reducing balance basis
Computer equipment	-	Straight line over 3 years

**1.6 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Pensions**

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

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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.8 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Operating leases**

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

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at Bank and in hand**

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

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.13 Liabilities and provisions**

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

**1.14 Financial instruments**

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 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.

**Defined Benefit Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

**Useful economic lives of tangible assets**

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 reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible assets, and note 1.5 for the useful economic lives of each class of asset.

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational trips and visits	-	-	39,516	39,516	32,630
Government grants	-	11,999	-	11,999	11,866
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	11,999	39,516	51,515	44,496
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £32,630 was to unrestricted funds and £11,866 was to restricted funds

**3. OTHER TRADING ACTIVITIES**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	-	73,401	73,401	65,774
School sales	-	40,225	40,225	27,529
Recharges and reimbursements	-	10	10	219
	<hr/>	<hr/>	<hr/>	<hr/>
	-	113,636	113,636	93,522
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from other trading activities, £93,522 was to unrestricted funds and £ NIL was to restricted funds.

**4. INVESTMENT INCOME**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	-	1,111	1,111	1,069
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total investment income, £1,069 was to unrestricted funds and £ NIL was to restricted funds.

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	2,749,795	-	2,749,795	2,741,139
Other DfE/EFA grants	340,227	-	340,227	366,729
	<u>3,090,022</u>	<u>-</u>	<u>3,090,022</u>	<u>3,107,868</u>
<b>Other government grants</b>				
Local authority grants	206,286	-	206,286	174,253
	<u>206,286</u>	<u>-</u>	<u>206,286</u>	<u>174,253</u>
<b>Other funding</b>				
Character by Doing grant	5,000	-	5,000	-
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u><u>3,301,308</u></u>	<u><u>-</u></u>	<u><u>3,301,308</u></u>	<u><u>3,282,121</u></u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,282,121 was to restricted funds.

**6. DIRECT COSTS**

	Educational Operations £	Total 2016 £	Total 2015 £
Educational supplies	268,617	268,617	271,035
Staff development	29,393	29,393	36,727
Educational consultancy	-	-	25,985
Wages and salaries	1,760,587	1,760,587	1,733,129
National insurance	128,806	128,806	104,315
Pension cost	202,185	202,185	166,908
	<u><u>2,389,588</u></u>	<u><u>2,389,588</u></u>	<u><u>2,338,099</u></u>

In 2015, the academy incurred the following Direct costs:

£2,338,099 in respect of Educational Operations

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS**

	<b>Educational Operations</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net pension finance charge	42,000	42,000	36,000
Recruitment and support	3,177	3,177	5,152
Maintenance of premises and equipment	86,658	86,658	87,892
Cleaning	14,370	14,370	13,406
Energy costs and other utilities	50,991	50,991	48,949
Insurance	21,386	21,386	13,770
Security and transport	14,048	14,048	15,613
Catering	113,717	113,717	88,974
Bank interest and charges	882	882	681
Legal and professional fees	67,696	67,696	50,143
Other support costs	36,519	36,519	39,843
Wages and salaries	357,771	357,771	333,397
National insurance	15,800	15,800	13,694
Pension cost	205,664	205,664	167,000
Depreciation	291,613	291,613	339,342
	<b>1,322,292</b>	<b>1,322,292</b>	<b>1,253,856</b>

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£7,500 (2015 - £7,250) included within the table above in respect of Educational Operations.

In 2015, the academy incurred the following Support costs:

£1,246,606 in respect of Educational Operations

**8. EXPENDITURE**

	<b>Staff costs 2016</b>	<b>Premises 2016</b>	<b>Other costs 2016</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expenditure on fundraising trading	-	-	549	549	777
Educational Operations:					
Direct costs	2,091,578	-	298,010	2,389,588	2,338,099
Support costs	579,235	443,632	299,425	1,322,292	1,253,856
	<b>2,670,813</b>	<b>443,632</b>	<b>597,984</b>	<b>3,712,429</b>	<b>3,592,732</b>

In 2016, of the total expenditure, £178,055 (2015 - £133,142) was to unrestricted funds and £3,534,374 (2015 - £3,459,590) was to restricted funds.

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	291,613	339,342
Auditors' remuneration - audit	7,500	7,250
Operating lease rentals	6,632	-
	<u>295,145</u>	<u>346,592</u>

**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,108,517	2,016,852
Social security costs	144,606	118,009
Operating costs of defined benefit pension schemes	407,849	334,426
	<u>2,660,972</u>	<u>2,469,287</u>
Supply teacher costs	9,841	49,155
	<u>2,670,813</u>	<u>2,518,442</u>

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

	2016 No.	2015 No.
Management	7	7
Teachers	32	29
Administration and support	77	88
	<u>116</u>	<u>124</u>

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

	2016 No.	2015 No.
In the band £80,001 - £90,000	1	1

1 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £15,577 (2015: £12,572)

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £439,936

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**11. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 2 governors (2015 - 2) in respect of defined benefit pension schemes.

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

		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
M Jones	Remuneration	<b>90-95</b>	<b>85-90</b>
	Pension contributions paid	<b>15-20</b>	<b>10-15</b>
S Minns	Remuneration	<b>25-30</b>	<b>25-30</b>
	Pension contributions paid	<b>0-5</b>	<b>0-5</b>

During the year ended 31 August 2016, expenses totalling £382 (2015 - £NIL) were reimbursed to 1 governor (2015 - 0).

**12. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 is included in the total insurance cost.

**13. OTHER FINANCE INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest income on pension scheme assets	-	24,000
Interest on pension scheme liabilities	<b>(42,000)</b>	<b>(60,000)</b>
	<b>(42,000)</b>	<b>(36,000)</b>

**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	6,287,878	748,543	312,395	7,348,816
Additions	-	39,688	9,881	49,569
At 31 August 2016	<u>6,287,878</u>	<u>788,231</u>	<u>322,276</u>	<u>7,398,385</u>
<b>Depreciation</b>				
At 1 September 2015	304,244	378,756	195,773	878,773
Charge for the year	125,757	97,635	68,221	291,613
At 31 August 2016	<u>430,001</u>	<u>476,391</u>	<u>263,994</u>	<u>1,170,386</u>
<b>Net book value</b>				
At 31 August 2016	<u>5,857,877</u>	<u>311,840</u>	<u>58,282</u>	<u>6,227,999</u>
At 31 August 2015	<u>5,983,634</u>	<u>369,787</u>	<u>116,622</u>	<u>6,470,043</u>

**15. DEBTORS**

	2016 £	2015 £
Trade debtors	-	371
VAT recoverable	3,050	6,955
Other debtors	-	6,191
Prepayments and accrued income	52,926	51,276
	<u>55,976</u>	<u>64,793</u>

**16. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Other taxation and social security	44,078	35,904
Pension scheme creditors	40,441	35,441
Other creditors	49,461	167,569
Accruals and deferred income	61,118	64,831
	<u>195,098</u>	<u>303,745</u>



**BELMONT CASTLE ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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

Included in deferred income is grant money for Universal Infant Free School Meals received in advance of entitlement.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2015	<b>64,831</b>	<b>58,328</b>
Resources deferred during the year	<b>61,118</b>	<b>64,831</b>
Amounts released from previous years	<b>(64,831)</b>	<b>(58,328)</b>
	<hr/>	<hr/>
Deferred income at 31 August 2016	<b>61,118</b>	<b>64,831</b>
	<hr/> <hr/>	<hr/> <hr/>

**BELMONT CASTLE ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	299,690	154,263	(178,055)	-	-	275,898
<b>Restricted funds</b>						
General Annual Grant	430,701	2,749,795	(2,588,387)	(37,570)	-	554,539
Local Authority	-	206,286	(206,286)	-	-	-
Other DFE/EFA grants	40,276	340,227	(341,960)	-	-	38,543
Character by Doing	-	5,000	(1,128)	-	-	3,872
Pension reserve	(1,121,000)	-	(105,000)	-	(698,000)	(1,924,000)
	(650,023)	3,301,308	(3,242,761)	(37,570)	(698,000)	(1,327,046)
<b>Restricted fixed asset funds</b>						
Inherited fixed assets	6,159,701	-	(201,462)	-	-	5,958,239
Tangible fixed assets	310,341	-	(90,151)	49,569	-	269,759
DFE Capital Grant	-	11,999	-	(11,999)	-	-
	6,470,042	11,999	(291,613)	37,570	-	6,227,998
Total restricted funds	5,820,019	3,313,307	(3,534,374)	-	(698,000)	4,900,952
Total of funds	6,119,709	3,467,570	(3,712,429)	-	(698,000)	5,176,850

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

*Restricted general funds and other restricted funds*

These relate to the Academy's development and operational activities.

*Restricted fixed asset fund*

These grants relate to capital funding to carry out works of a capital nature.

*Pension reserve*

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

*Restriction on surplus GAG*

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

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

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	6,227,998	-	6,227,998	6,470,041
Current assets	792,050	-	275,898	1,067,948	1,074,412
Creditors due within one year	(195,096)	-	-	(195,096)	(303,744)
Provisions for liabilities and charges	(1,924,000)	-	-	(1,924,000)	(1,121,000)
	<u>(1,327,046)</u>	<u>6,227,998</u>	<u>275,898</u>	<u>5,176,850</u>	<u>6,119,709</u>

**19. TRANSFER BETWEEN FUNDS**

Transfers between funds have arisen in respect of the following;

£11,999 has been transferred from the DfE capital grant fund to the Tangible fixed assets fund for assets purchased from DfE capital grants.

£35,570 has been transferred from the restricted fund to restricted fixed asset fund representing assets purchased from the GAG.

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(244,859)	(171,524)
<b>Adjustment for:</b>		
Depreciation charges	291,613	339,342
Dividends, interest and rents from investments	(1,111)	(1,069)
Decrease in debtors	8,817	65,499
Decrease in creditors	(108,647)	(119,822)
Capital grants from DfE and other capital income	(11,999)	(11,866)
Defined benefit pension scheme cost less contributions payable	63,000	45,000
Defined benefit pension scheme finance cost	42,000	36,000
<b>Net cash provided by operating activities</b>	<u>38,814</u>	<u>181,560</u>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,011,973	1,009,618
<b>Total</b>	<u>1,011,973</u>	<u>1,009,618</u>

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**22. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. 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.

Contributions amounting to £40,441 were payable to the schemes at 31 August 2016 (2015 - £35,411) and are included within creditors.

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

The employer's pension costs paid to TPS in the period amounted to £202,185 (2015 - £166,908).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**22. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £114,000 (2015 - £99,000), of which employer's contributions totalled £67,000 (2015 - £60,000) and employees' contributions totalled £47,000 (2015 - £39,000). The agreed contribution rates for future years are 12.3% for employers and 5.5% - 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
RPI increases	3.20 %	3.60 %
CPI increases	2.30 %	2.70 %
Salary increases	4.10 %	4.50 %
Pension increases	2.30 %	2.70 %
Discount rate	2.20 %	4.00 %
Commutation of pensions to lump sums	60.00 %	60.00 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	542,000	345,000
Gilts	28,000	21,000
Other Bonds	36,000	51,000
Property	87,000	61,000
Cash	24,000	13,000
Alternative Assets and other managed funds	73,000	38,000
<b>Total market value of assets</b>	<b>790,000</b>	<b>529,000</b>

The actual return on scheme assets was £91,000 (2015 - £22,000).

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**22. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(205,000)	(167,000)
Net interest cost	(42,000)	(36,000)
	<hr/>	<hr/>
Total	(247,000)	(203,000)
	<hr/>	<hr/>
Actual return on scheme assets	91,000	22,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening defined benefit obligation	1,650,000	1,451,000
Current service cost	205,000	167,000
Interest cost	67,000	60,000
Contributions by employees	47,000	39,000
Actuarial losses/(gains)	764,000	(37,000)
Benefits paid	(19,000)	(30,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,714,000	1,650,000
	<hr/>	<hr/>

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

	2016 £	2015 £
Opening fair value of scheme assets	529,000	376,000
Interest income	25,000	24,000
Actuarial gains and (losses)	66,000	(2,000)
Contributions by employer	142,000	122,000
Contributions by employees	47,000	39,000
Benefits paid	(19,000)	(30,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	790,000	529,000
	<hr/>	<hr/>

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**23. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	1,895	827
Between 1 and 5 years	4,737	-
Total	<u>6,632</u>	<u>827</u>

**24. RELATED PARTY TRANSACTIONS**

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

There were no related party transactions in the year.

**25. CONTROLLING PARTY**

There is no ultimate controlling party.

**26. MEMBERS' LIABILITY**

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

**27. FIRST TIME ADOPTION OF 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.