

Registered number: 06268570 (England and Wales)

CASTLE VIEW ENTERPRISE ACADEMY
(A company limited by guarantee)

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

CASTLE VIEW ENTERPRISE ACADEMY
(A company limited by guarantee)

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CASTLE VIEW ENTERPRISE ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, GOVERNORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

H Mottram OBE
J Mowbray OBE

Governors

H Mottram OBE, Chair
C E Leighton, Vice Chair¹
J S Bridges OBE, Principal and Accounting Officer¹
G Davies (resigned 11 March 2016)
L Hunter¹
B Manning
J D Mowbray OBE¹
I G Neal¹
L Perry
M Wooler
A Parkin (appointed 1 July 2016)
A M Young (appointed 30 September 2016)

¹ Finance, Audit and General Purposes Committee

Company secretary

P J W Smith

Senior leadership team

J S Bridges OBE*, Principal
J Bowe*, Vice Principal (to 31 August 2016)
C Fairsington*, Vice Principal
A Marshall, Assistant Vice Principal
J Owens, Assistant Vice Principal
E McDermott, Assistant Vice Principal
G Woollett, Assistant Vice Principal
A Payne, Assistant Vice Principal
P Smith*, Finance Director
L Anderson, Leadership and Business Support Manager

* Indicates a member of Key management personnel

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

Company name

Castle View Enterprise Academy

Principal and registered office

Cartwright Road
Sunderland
Tyne and Wear
SR5 3DX

Company registered number

06268570

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Barclays Bank plc
53 Fawcett Street
Sunderland
SR1 1RS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

CASTLE VIEW ENTERPRISE ACADEMY
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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 period 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.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Sunderland. It has a pupil capacity of 900 and had a roll of 734 in the school census on October 2015.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the academy trust is the operation of Castle View Enterprise Academy to provide education for students of different abilities between the ages of 11 and 16 with an emphasis on business and enterprise.

In accordance with the articles of association the academy trust has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on business and enterprise and their practical applications.

Objectives, strategies and activities

The academy's main strategy is encompassed in its mission statement which is :

- to provide the best education for all students in order for them to achieve their personal best;
- to develop personal, social, spiritual and cultural development within an environment where every child does matter; and
- to create an orderly, disciplined, caring environment and prepare all students for the world of work and further education in the 21st Century.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 16.

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy trust should undertake.

Equal opportunities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

This year saw some outstanding results at Castle View Enterprise Academy as well as some outstanding individual performances from students. Here are some brief highlights:

- In 2016 all students got five or more good qualifications with over 64% getting them at A*-C including English and Maths.
- The English department excelled with over 78% of students getting a grade C or better with outstanding progress from their KS2 starting points.
- Maths students attained 71% A*-C grades.
- 76% of all students got an A or A* grade in at least one subject which shows really clearly the calibre of students coming through the Academy.
- 100% of students gained an ICT qualification that should stand them in good stead in the technological world we live in.
- Many departments, such as RE, Art, Dance, Business Studies and RM saw improved results again this year.
- Other departments kept up the already high standards from last year.
- On the new progress 8 accountability measure, CVEA students made more progress than their peers did nationally with a +0.12 score.
- Castle View students sat their GCSE RE exam in year 10 this year and showed how much they enjoyed the new look RE curriculum which focuses on morals, points of view and modern life issues: 61% of them gained a grade C or better.

We are really proud of all our students but here are some individuals who really stood out:

- GT – 12 A*, and 2 A grades, the best performance by a student in the history of CVEA
- RE – 6 A*, 5 A, 2 B grades
- EM – 5 A*, 7 A grades
- DF – 4 A*, 8A grades
- LS (exceptional progress from KS2) – 2 A*'s, 4 B's, 4C's
- KG (exceptional progress from KS2) – 1 A, 1 B, 6 C'S, 4 D's

This year's Y11 are already preparing for their final hurdles and look forward to beating these impressive results.

Castle View Enterprise Academy also narrowed the gap for Pupil Premium students in overall result and particularly English and Maths.

DfE Financial Year (Ending 31 March)	Students Eligible	% of Students Eligible	Funding per Student	Total Allocation
2011-2012	290	37%	£488	£141,520
2012-2013	333	43%	£623	£207,459
2013-2014	320	43%	£900	£288,000
2014-2015	320	43%	£935	£299,200
2015-2016	307	42%	£935	£286,578
2016-2017 (indicative)	303	41%	£935	£283,775

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

ACHIEVEMENTS AND PERFORMANCE (continued)

Actual Funding Received per Academic Year:

2011-2012	£168,442
2012-2013	£249,489
2013-2014	£296,577
2014-2015	£298,212
2015-2016	£286,578

The academy operates an extensive work experience and enterprise programme working in collaboration with over 50 business partners. The Year 7 Business & Enterprise curriculum is led by businesses and students have regular visits.

In January 2012 the academy was inspected under the new Ofsted framework and was rated GOOD in all areas.

The academy has also developed a Sport Academy with specialism in Cricket, Football and Dance.

CVEA now operates it's own Cadet Force, this was formed in 2015 and they are affiliated with The Royal Regiment of Fusiliers with direct links in to Fifth Fusiliers.

CVEA is the first school in Sunderland to offer this programme for young people in our care.

Key Performance Indicators

- Progress and attainment across 8 qualifications
- The percentage of students achieving the threshold in English and Maths (currently a Grade C which will become a Grade 5 when the new GCSE in English and Maths are first reported in 2017)
- Percentage of students entering, and percentage of students achieving, the English Baccalaureate
- Percentage of students staying in education after Key Stage 4
- Attendance within national average
- Reduction in exclusions
- Good in Ofsted Inspections
- Maintenance of reserves at or above the Reserves Policy
- Control of costs to budget levels

Going concern

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

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

FINANCIAL REVIEW

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The Governors have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

Reserves policy

The academy holds endowment, restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs.

The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold total reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of 7.5% of total incoming resources less restricted fixed asset income, which amounts to £365,000.

This is considered sufficient to cover:

- 1) One month's payroll costs and
- 2) One months payments to suppliers

At 31 August 2016 actual reserves fall short of this policy by £187,000. The Governors have taken steps to reduce costs within the Academy in 2016/17, and it is believed that this, combined with increases in income as a result of a rising roll, will return the reserves to at or above the Governors' reserves policy within three years.

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

FINANCIAL REVIEW

Financial review of the year

Most of the academy's income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/EFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the academy receives grants from the local authority, Sunderland City Council, in respect of students with special educational needs and students whom are looked after by the authority. The income and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The academy also generates income from the letting of school facilities to third parties, and from activities associated with this letting. This income, and the associated costs are shown as unrestricted funds in the Statement of Financial Activities.

During the year ended 31 August 2016, total expenditure of £5,828,000 was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £563,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2016 the net book value of fixed assets was £14,019,000 and movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,552,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2016 of £13,978,000 comprising £12,606,000 of restricted funds, £1,140,000 of Endowment funds and £232,000 of unrestricted funds.

Investments policy

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust and the group is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Governors of Castle View Enterprise Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Castle View Enterprise Academy.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

Principal Activities

The principal activity is the operation of Castle View Enterprise Academy. Further details are provided under 'Objectives and Activities'.

Governors' Indemnities

The academy trust has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 13.

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.

Method of recruitment and appointment or election of Governors

The term of office for any Governor shall be four years, save that time limit shall not apply to either the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Governor any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for key management personnel

The Members and Governors receive no remuneration for the services they provide.

The Governors determine the general pay and remuneration policy of the Academy. That of the Principal and the Finance Director are set directly by the Governors based on performance against targets. The pay and remuneration of other Key Management Personnel and members of the Senior Leadership Team are determined in accordance with the general pay policy of the Academy and subject to satisfactory performance against targets.

Organisational structure

During the year the academy continued to operate a unified management structure. The Structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Leader Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team are the Principal, Vice Principal, Finance Director, Leadership and Business Support Manager and six Assistant Vice Principals. These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

The daily management of the academy is centred on the Director of each subject area and Heads of Year. They drive forward their area and are accountable for achievement, attendance and behaviour.

Connected organisations, including related party relationships

Northumbrian Water Limited and Sunderland City Council are the sponsors of Castle View Enterprise Academy Trust. Since the foundation of the academy, Northumbrian Water Limited has donated £250,000 and Sunderland City Council has donated £1,100,000 to The Northumbrian Water Limited Endowment Trust, referred to below, the income from which is to be applied to assist the academy to achieve its educational purposes, and in particular:

- (1) to counter the impact of deprivation and disadvantage on education; and
- (2) to promote educational work within the community served by the academy.

Further details are stated in Note 28 to the financial statements.

CASTLE VIEW ENTERPRISE ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

Future developments

Development work continues at a rapid pace and includes:

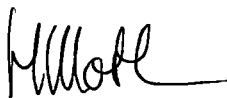
- Review of the academy policies by the Governing Body
- Review of the staffing structure to maximise the effectiveness of the teaching, support and administrative staff
- Continuing to raise attainment and develop inclusion for all students
- Continuing the development of community, business and international links
- Continuing development of a cricket, dance and football academy
- Further develop our military ethos and CCF
- Development of 'Adventure Learning' beyond the classroom for all.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

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

This report was approved by order of the Board of Governors as the company directors, on 9 December 2016 and signed on its behalf by:



H Mottram OBE
Chair of Governors

CASTLE VIEW ENTERPRISE ACADEMY
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GOVERNANCE STATEMENT

Scope of Responsibility

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

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
H Mottram OBE, Chair	4	5
C E Leighton	5	5
J S Bridges OBE, Principal	5	5
G Davies	0	2
L Hunter	3	5
B Manning	4	5
J D Mowbray OBE	2	5
I G Neal	4	5
L Perry	3	5
M Wooler	4	5
A Parkin	1	1

The Governing Body is a carefully selected group of individuals brought together to provide challenge, support and monitoring of Castle View Enterprise Academy. The group is made up of three members of the lead sponsor Northumbrian Water Limited, one governor from the local university, one co-opted governor, one parent governor, one Local Authority co-sponsor governor, one ex-officio governor, one governor from Education and two governors from business.

A governance self-review was carried out in February 2015 by the governing body, and a strategy action plan was prepared. This plan is reviewed at each meeting of the full governing body.

The Finance, Audit and General Purposes Committee is a sub-committee of the main Board of Governors. Its purpose is to assist in the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy trust's finances and resources, including proper planning, monitoring and probity. During the year the internal auditor audits the accounts process and joins all of the meetings.

CASTLE VIEW ENTERPRISE ACADEMY
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J S Bridges OBE	3	3
L Hunter	3	3
C E Leighton	3	3
J D Mowbray OBE	2	3
I G Neal	3	3

Review of Value for money

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

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

- Improving academic performance – this summer saw improved exam results for most departments;
- The review of the staffing structure of the academy to ensure that staff are best deployed to support the curriculum needs of all students;
- Reviewing contracts for support services such as energy costs, significantly reducing costs;
- Enhancing income generation opportunities to provide additional funds to support academy activities.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castle View Enterprise 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 Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust'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 Governors.