

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**  
M Friday  
L Hancock  
M Marr (resigned 31 August 2018)  
W Taylor-Dowson (appointed 1 September 2018)  
A Simpson (appointed 1 September 2018)  
P Huddleston (appointed 1 September 2018)

**Trustees**  
M Friday, Chair  
L Hancock  
M Marr, CEO and Accounting Officer  
P Simpson  
W Taylor-Dowson (resigned 31 August 2018)  
R Winters  
H Reilly, Vice Chair  
N Forrest (appointed 18 October 2017)  
K McDowall (appointed 18 October 2017)  
S Sharif (appointed 18 October 2017)  
K Ireland (appointed 18 October 2017)

All the Trustees listed above are also Directors of the Company Limited by Guarantee.

**Company registered number** 08331385

**Company name** Castle Phoenix Trust

**Principal and registered office** Castle Phoenix Trust  
Axholme Road  
Wyken  
Coventry  
CV2 5BD

**Company secretary** H Harrison

**Accounting officer** M Marr

**Trust Strategic Team**  
M Marr, CEO / Headteacher, Caludon Castle School  
A Dudgeon, Head of Teaching School / Associate Head, Caludon Castle School  
D Wilson, Headteacher, Hill Farm Primary  
M Clarke, Headteacher, Kingsbury  
H Harrison, Director of Finance  
E Over, HR Director

**Independent auditors** Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Advisers (continued)**

<b>Bankers</b>	Lloyds Bank PLC 30 High Street Coventry West Midlands CV1 5RA
<b>Solicitors</b>	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

**Directory of Academies**

<b>Academy 1</b>	Caludon Castle School Axholme Road Coventry West Midlands CV2 5BD
<b>Academy 2</b>	Hill Farm Primary School Foster Road Coventry West Midlands CV6 3BL
<b>Academy 3</b>	Kingsbury School Tamworth Road Tamworth Staffordshire B78 2LF
<b>Academy 4</b>	Foxford School (Joined 1 October 2018) Grange Road Coventry West Midlands CV6 6BB
<b>Academy 5</b>	Richard Lee Primary School (Joined 1 December 2018) The Drive Coventry West Midlands CV2 5FU

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Castle Phoenix Trust operates a primary academy; Hill Farm in Coventry and two secondary academies; Caludon Castle in Coventry and Kingsbury in Tamworth. Its academies have a combined pupil capacity of 2853 and had a roll of 2860 in the school census in May 2018.

On 1 October 2018, Foxford School joined the Multi Academy Trust. On 1 December 2018, Richard Lee Primary School joined the Multi Academy Trust.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

Castle Phoenix Trust is a company limited by guarantee and an exempt charity. The Director of Finance is also the Company Secretary. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of Castle Phoenix Trust.

The Board of Trustees (also referred to as Board of Directors in the Terms of Reference) of Castle Phoenix Trust are also the Directors of the Charitable Company for the purposes of company law. The Governors sit on the HR & Governance Committee, Finance & Resources Committee, Audit & Risk Committee and Local Governing Body Committees of Caludon Castle School, Hill Farm Primary and Kingsbury School. The Charitable Company is known as Castle Phoenix Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they cease to be a member.

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

	£	
Total cost of facility time	940	
Total pay bill	11,248,000	
Percentage of total pay bill spent on facility time	0.01	%

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**Paid trade union activities**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at Castle Phoenix Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to Castle Phoenix Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of Castle Phoenix Trust. The limit of this indemnity is £25million.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

Castle Phoenix Trust's Board of Trustees and other Governors Committees shall comprise of the following, as set out in the Term of Reference, Articles of Association and Funding Agreement:

- up to 7 Parent Governors who are elected by parents of registered pupils at Caludon Castle School, Hill Farm Primary and Kingsbury School.
- up to 2 staff Governors appointed by the Board of Trustees.
- up to 7 Community Governors who are appointed by the Board of Trustees.
- the Chief Executive who is treated for all purposes as being an ex officio Governor.
- the Members may appoint up to 1 Governor save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Multi Academy Trust (including the Chief Executive).

Trustees/Governors are appointed for a four year period, except that this time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board of Trustees will give consideration to the skills and experience mix of existing Governors in order to ensure that the Trustees/Governors, have the necessary skills to contribute fully to Castle Phoenix Trust development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees/Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees/Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees/Governors. As there are normally only two or three new Trustees/Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

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

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**Organisational Structure**

The Board of Trustees will meet at least three times a year. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

**Finance and Resources Committee** - this meets at least three times a year and has an overall purpose of:

- Setting the standards for the delivery of all financial and business support services across the Multi Academy Trust and keeping them under review.
- Agreeing all financial and business support policies and keeping them under review monitoring key financial and business support services performance indicators across the Multi Academy Trust adding an additional level of more detailed scrutiny to the Board of Trustees' responsibility for setting and reviewing performance, benchmarking internally and externally, and directing corrective action where necessary
- Considering and making recommendations to the Board of Trustees on compliance with all regulatory and other financial reporting requirements.

**HR & Governance Committee** - this meets at least three times a year and has an overall purpose of:

- Developing a strategy for the employment of staff and all strategic issues relating to staff salary and benefit packages.
- To consider issues relating to the contracts of employment for the Chief Executive, Headteacher, and other members of each academy's senior leadership team including the review of salary, benefits and appraisal.
- To oversee processes for the recruitment, induction, appraisal and training of all directors, governors and committee members.
- To keep under review the skills, knowledge and experience on the board, local governing bodies and all board committees and advise the board of directors on succession planning and renewal.
- To oversee the Multi Academy Trust's strategy in relation to equality, diversity and inclusion.
- To support the Board of Directors in providing an added level of scrutiny in the monitoring of finance and resources.
- To keep the Board of Directors regularly informed of the committee's activities and key decisions.

**Audit & Risk Committee** - this meets at least three times a year and has an overall purpose of:

- Monitoring and assessing the internal controls of the Trust to ensure that the Trust as a whole is operating at appropriate levels of risk and in compliance with the Code of Audit Practice.
- To take responsibility for external and internal audit matters, oversee the work programme and performance quality of the internal and external audit services.
- To support the board of directors in ensuring that a framework is established and maintained for the identification and management of risk
- To support the board of directors in providing an added level of scrutiny in the monitoring of audit and risk.
- To keep the board of directors regularly informed of the committee's activities and key decisions.

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

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**Local Governing Body Committee** - this meets at least three times a year and has an overall purpose of:

- Ensuring all students within the Multi Academy Trust have access to a high quality education provision in line with the shared mission and vision.
- To monitor the implementation of each individual academy's development/improvement plan ensuring that it is delivering against agreed strategic and local objectives; moving the academy and Multi Academy Trust as a whole towards achieving and sustaining a regulatory judgement of outstanding in all areas.
- To ensure that the academic and wellbeing needs of Multi Academy Trust students' are being met effectively through the design and delivery of a broad and balanced curriculum which, through use of personalised, developmental support helps to maximise each student's success and enjoyment.
- To ensure all students are safeguarded.
- To ensure the Multi Academy Trust collective published admission number (PAN) is full.

The Board of Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the academies by the use of budgets and other data, and making major decisions about the direction of the academies, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of each academy to the Headteachers.

Castle Phoenix Trust has a leadership structure which consists of the Board of Trustees and the Senior Leadership Team of each academy. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The senior leadership team of each academy is made up as follows:

Caludon Castle Senior Leadership Team (SLT) consists of the Headteacher, Associate Head and four Deputy Head's.

Hill Farm Strategic Leadership Team consists of the Headteacher, Deputy Head Teacher, part time Deputy Head, part time Acting Deputy Head, Acting Assistant Head and five Assistant Heads.

Kingsbury Leadership team consists of Headteacher, Deputy Head and three Assistant Heads.

The Chief Executive/Headteacher of Caludon, Headteacher of Hill Farm, Headteacher of Kingsbury, Finance & Resources Committee and Director of Finance, are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Finance Policy and Budget Holders Responsibilities. The Chief Executive / Headteachers ensure that recruitment and selection decisions are made effectively and fairly with or through the HR Director when appropriate.

The SLT controls the academies at an executive level, implementing the policies laid down by the Trustees and reporting back to them.

The Chief Executive Officer is the Accounting Officer.



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

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**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the individual Academies in charge of directing and controlling, running and operating the Trust on a day to day basis. With the exception of staff Trustees, all Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The HRG committee develop and recommend remuneration strategy and policy (including performance management and pay policy) to the Board of Trustees within the context of national and local agreements, contractual arrangements and TUPE; recognising the need to recruit and retain high calibre staff to deliver the Trust's mission and meet the strategic plan objectives, in order to appropriately determine the salaries of the SLT.

**Related Parties and other Connected Charities and Organisations**

Caludon Castle School was rebuilt in 2007 as a PFI project.

The PFI agreement is between Coventry Education Partnerships and Coventry City Council dated 7 December 2004. Other parties involved are:

- Integral; the facilities management company.
- Parkwood; have shared use of the leisure centre during the school day and sole use out of school hours.
- Library; Coventry City Council Community library shares the library facility with Caludon Castle School.

There are no related parties which either control or significantly influence the decisions and operations of Castle Phoenix Trust.

## OBJECTIVES AND ACTIVITIES

### Objects and Aims

The principal object and activity of Castle Phoenix Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of different abilities.



# CASTLE PHOENIX

Multi Academy Trust

## OUR VISION

**Growing Confident Learners**  
By  
*Leading Learning Excelling together*

## OUR VALUES

We will demonstrate:



Respect to all, from all



A positive attitude



Resilience and a determination to achieve our best



Passion for learning



Innovation



Collaboration

## OUR PEOPLE STRATEGY

We will:

- **PROMOTE AND SECURE** excellent leadership and management
- **ATTRACT AND RECRUIT** the best staff
- **GROW AND DEVELOP** our staff to fulfil their potential
- **RETAIN AND REWARD** our staff through recognising their contribution to our Trust's vision, values and strategic aims
- **CREATE AND MAINTAIN** an innovative, nurturing and collaborative

## OUR STRATEGIC PRIORITIES



Leadership at all levels is effective



Pupils make good progress within the Trust and achieve well



The curriculum is stimulating and challenging and enables pupils to develop a passion for learning



Learning and teaching is consistently 'great' (very effective teaching leading to improved pupil outcomes for future success)



All children within our Trust feel well cared for, take pride in and value their school, and want to achieve their best

## **CASTLE PHOENIX TRUST PERFORMANCE 2017 -2018**

### **STRATEGIC AIMS**

- Leadership at all levels is effective
- Pupils make good progress within the Trust and achieve well
- The curriculum is stimulating and challenging and enables pupils to develop a passion for learning
- Learning and teaching is consistently 'great' (very effective teaching leading to improved pupil outcomes for future success)
- All children within our Trust feel well cared for, take pride in and value their school, and want to achieve their best

### **SCHOOL IMPROVEMENT**

#### **CASTLE PHOENIX TRUST SCHOOLS' IMPROVEMENT STRATEGY**

The Trust specialises in 'Leadership'. Leadership development underpins all of our work. We believe that most school processes - change, talent, teams, engagement, innovation, collaboration – stand or fall on the quality of leadership. All our leaders are unique and there is not an ideal character for leadership. We want all our leaders to develop emotional intelligence and deepen their knowledge skills and leadership attributes to be effective. We develop leadership capacity at every level, building self-awareness, confidence and initiative; we work with the talent that is in every school for future leadership and we support the development of a leadership culture. This includes developing student leaders. The best future leaders are probably already in our schools. There is no better way to ensure our Trust stays effective than by challenging, nurturing and enabling our most talented staff.

### **Strategy + capacity + pace = school improvement**

The strategy comes from strong leadership and good governance. There are times when schools within our trust are a 'capacity taker' and others when they are a 'capacity giver'. There are quick fixes that can be made to stabilise a school but sustained improvement comes over time and from within.

#### **UNDERSTANDING AND DEFINING THE APPROACH TO SCHOOL IMPROVEMENT**

Our model for school improvement focuses upon the following themes

- Vision, Culture, Ethos and Strategy
- People and capacity
- Curriculum, teaching, learning and assessment
- Quality assurance and accountability

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

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Vision, Culture, Ethos and Strategy

- Is there evidence of a clear vision and strategy, in line with the Trust framework, that promotes effective school improvement?
- The Trust has co-constructed new Vision and Values. All schools have a clear vision and a learning and teaching framework for school improvement.
- Is there evidence of impact against the Trust strategic aims and the 5 Keys?
- Leadership roles and responsibilities are made explicit and all the schools are committed to making a difference against the 5 Keys.
- Schools produce their own school improvement plans taking into account the Trust Strategic plan. There is a common format for summarising each school's plan
- All schools have detailed and appropriate school improvement plans and a summary of their plan which has been shared with the Trust board.

People and capacity

- The MAT has produced a People Strategy 2020 and identifies annual priorities to support recruitment, developing and retaining good staff.
- The Trust is refining its approach to recruiting and developing staff (see HR section)
- The Trust has a good record this year of recruiting specialist staff despite national staffing challenges. The schools were fully staffed in September 2018.
- Is there a clear approach to building effective leadership capacity?
- The schools have accessed NPQML and NPQSL ( national leadership programmes) through our teaching school
- How well do schools blend professional learning with improving knowledge and practice?
- Teaching continues to improve across the Trust

Curriculum, teaching, learning and assessment

- Does the curriculum support the Trust strategic aims and provide good challenge?
- Are the 6 principles of 'great' teaching embedded effectively within school practice?  
**Modelling, Explanation, Practice, Questioning, Feedback, Challenge**
- Is assessment accurate, valid, fit for purpose and used to make a difference
- Schools within the Trust have enhanced their curriculum to provide better experiences for their children.

Quality assurance and accountability

- How strong are the systems for evaluating school performance?
- How well does the school use quantitative data in evaluating school performance?
- How well does the school use qualitative data in evaluating school performance?
- Every term there is detailed performance analysis within schools but also through Trust KPI documents which identify strengths and areas for further development. Quality assurance is planned for within each school and is robust.

Our school improvement strategy aims to:

- Foster collaboration between schools
- Improve the quality of leadership in all schools
- Analyse data to identify and target interventions for specific groups of children
- Engage parents and community
- Ensure robust QA and accountability for schools including peer and external reviews
- Support behaviour and inclusion issues
- Ensure and facilitate excellent professional development and feedback/ coaching for teachers

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

- Identify, evaluate, and spread effective and innovative practices across the Trust
- Recruit, develop and retain talent
- Develop shared approaches to curriculum and assessment
- Develop shared approaches to pedagogy

**NAVIGATING DIVERSITY, IDENTITY AND CONSISTENCY**

Schools have their own identity and sense of history and we recognise that, through diversity and innovation, we can grow stronger as a Trust. Good schools demonstrate consistency throughout their practice and our quality assurance processes seek to identify typicality of ongoing improvement against the 5 Keys within schools. We share aspects of schools' work that is effective across the Trust. To enable this and to bring coherence to our Trust, schools report to the Trust board using a few common templates.

The combined outcomes for the trust in terms of the progress young people are making from KS1 to 2 and Progress 8 at KS4 **are in line with national averages**

Progress *	National Average	Progress
<b>Primary</b>		
<b>Hill Farm Primary</b>		
KS2 Reading	0	-0.5
KS2 Writing	0	-0.5
KS2 Maths	0	-0.6
<b>Secondary</b>		
<b>Caludon Castle</b>	0	-0.19
<b>Kingsbury</b>	0	-0.19

\*Unvalidated data 13.10.18

Attainment	National Average	School
<b>Primary</b>		
<b>Hill Farm Primary</b>		
<b>KS2 Combined R,W,M</b>	64%	51% ↑
KS2 Reading	75%	62%
KS2 Writing	78%	74%
KS2 Maths	76%	62%
Grammar, punctuation and spelling	78%	67%
<b>Secondary</b>		
<b>Caludon Castle</b>		
Standard Passes in English and Maths	64%	67%
<b>Strong Passes in English and Maths</b>	43%	43% ↑
Standard pass in English	69%	83%
Standard pass in Maths	69%	69%
Strong pass in English	60%	66%
Strong pass in Maths	49%	49%
<b>Kingsbury</b>		
Standard Passes in English and Maths	64%	57%
<b>Strong Passes in English and Maths</b>	43%	37% ↑
Standard pass in English	69%	80%
Standard pass in Maths	69%	62%
Strong pass in English	60%	56%
Strong pass in Maths	49%	47%

↑ an increase from the previous year

Caludon Post 16	National	School
A*/B A level grades		50.6% ↑
Value added	0	0.15 ↑

**CASTLE PHOENIX TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The combined outcomes for the trust in terms of attendance and exclusions are in line with national averages

Behaviour and Attendance	Attendance	Persistent Absence	Exclusions
<b>Primary</b>			
Hill Farm Primary	95.8%	9%	1.21%
<b>Secondary</b>			
Caludon Castle	95.2%	10%	3.4%
Kingsbury	92.7%	13.3%	3.9%

**External Evaluation**

Ofsted Judgements	Overall Effectiveness	Inspection date
<b>Primary</b>		
Hill Farm Primary	GOOD	Mar 2015
<b>Secondary</b>		
Caludon Castle	GOOD	Jan 2016
Kingsbury	-	New Academy April 2016

There is evidence that the outcomes for children in English and maths who are educated within the Castle Phoenix MAT are continuing to improve and are close or above national expectations for attainment. External evaluation 2017/18 confirms all schools are performing effectively and that there is capacity of leadership to develop the schools further.

The secondary schools have received external reviews to assess their pupil premium strategy. Caludon Castle – "The strategy to support the most vulnerable and disadvantaged students in school, is well-conceived. Detailed information about this cohort of students' social, emotional and mental health characteristics, as well as their cognitive abilities and needs, is well documented. Provision to meet the needs, and raise the aspirations and performance of disadvantaged students, is strong. The impact of this provision is seen in diminishing differences in many subjects, particularly English and mathematics, and especially across Years 7-9."

Kingsbury- "..... the Head Teacher is building capacity at a number of levels and there is a new rigour and robustness to addressing the need for improvement in outcomes for disadvantaged pupils. Governors and staff are committed to the school's vision and priorities for PPG "

Hill Farm – "The leadership of pupil premium funded strategies continues to develop strongly. As of late, there is an increasingly forensic approach to exploring the social, emotional and mental health complexities that underpin certain 'disadvantaged' pupils' learning challenges. Leadership is beginning to analyse and evaluate these complexities, particularly in the light of present school and external support on offer. Training and advice are planned for all staff. The school's enhanced arrangements to monitor and evaluate the learning and progress of all pupils includes a strong focus on those from disadvantaged backgrounds, and particularly from high prior attainment starting points.

**Leadership and Management**

Overall, Leadership and Management is good and making a difference to schools' performance. Each school has a clear, well communicated vision, focused upon raising aspirations and achievement for all, and a plan as to how to implement that vision.

All schools within the Trust now have clear quality assurance and evaluation systems in place to improve consistency and performance. The Trust has moved towards a stronger commitment to shared approaches that are improving practice.

In the secondary schools, shared CPD & assessment without levels are extended by peer reviews with frequent inclusion of external challenge.

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

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'Faculty Centred Leadership' is a common approach used across the secondary schools which provides a subject development and accountability framework. Subjects take action to address five 'Key' questions and demonstrate their impact on a termly basis. This approach is being adopted at Primary level for 2018-19.

1. What are you doing to strengthen the KS3 curriculum?
2. What are you doing to make sure your most able pupils are stretched?
3. What steps are you taking to improve outcomes for your most vulnerable pupils?
4. What are you doing to ensure teaching is 'great'?
5. What are you doing to demonstrate that pupils are making progress and gaps in their learning are addressed?

### **Learning and Teaching**

Overall, the quality of teaching is good across the Trust.

In October 2018, the annual Trust learning and teaching conference launched the key teaching theme for the year ahead- 'Teaching to the Top'. Caludon Castle, Kingsbury, Hill Farm, Richard Lee and Foxford presented learning shops and student leaders advised teachers on what makes for effective questioning. Trust wide 'teach meet' event took place, twice, enabling teachers from all schools within the trust to share good practice.

Aspects of teaching <i>Summer 2018</i>	Securely Good or better
<b>Primary</b>	
Hill Farm Primary	78%
<b>Secondary</b>	
Caludon Castle	96%
Kingsbury	88%

9 school direct trainees within our Trust were trained by the Castle Phoenix teaching school and all of them received good or better judgements at the end of their placements. 5 of them subsequently were employed to work within the Trust as Newly Qualified Teachers. Our primary school direct trainee, won the Ann Barnes Award for the 'Most Inspirational Primary Teacher' from Warwick University.

One member of staff gained lead learning practitioner status which demonstrates excellence in their classroom and the ability to have a wider influence and another gained Specialist Leader of Education (SLE) status in English.

### **Supporting School Performance**

There is now a trust-wide school improvement strategy that recognises the different interventions needed at different stages of the improvement journey that a school undertakes. Systems to track data, the collection of regular KPI and a stronger performance management system are sustaining improvement in the schools. The self-evaluation of the academies is maturing so that they have greater ownership of their own requirements and make more bespoke support demands of the Trust

There is a systematic programme of school to school support in both phases that is focused on the need of individual academies.

The Trust's school improvement strategy is built around a pool of talented teachers and leaders who know the impact of their work and can name it and describe it. This is predominantly applicable to the lead school but there is evidence of it developing wider.

There is a Trust wide commitment to making a contribution to local, regional and national educational networks beyond the MAT. The CEO leads one of the four Coventry city secondary collaborative school improvement networks.

The Trust has its own Teaching School Alliance with 23 school partners, a National Leader of Education (NLE) , a Local Leader of Education (LLE) and 10 Specialist Leaders of Education (SLEs) based within the Trust academies who provide support across the Trust but also to schools beyond the Trust.

**CASTLE PHOENIX TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Governance**

There is a clear delegated framework for governance at Trust Board and local governing body level that makes the responsibilities of both the Board and any LGBs explicit. This has been revisited and updated this year to enable Trust growth. Governors and Trustees have undertaken a skills audit to ensure the Trust has the skillset needed to support their role of holding the organisation and individual academies to account.

**Financial Sustainability**

The Trust has strong and sustainable finances which enable it to deliver the education it wants for its young people. The overall financial position of the trust is secure and financial systems are robust at trust level. Academies understand the collective financial responsibility for the trust.

Financial planning and systems are in place to ensure the trust's 2-3 years' vision is deliverable despite the impact of changes to funding for individual academies

School Numbers	PAN Capacity	Actuals May 2018
<b>Primary</b>		
Hill Farm Primary	708	645
<b>Secondary</b>		
Caludon Castle	1445	1529
Kingsbury	700	686
<b>Total</b>	<b>2853</b>	<b>2860</b>

\*capacity for growth

There is an increasing trend in admissions in all schools

2017-18	Reserves £ As 1.9.2017	Income £	Expenditure £	Balance £
<b>Primary</b>				
Hill Farm Primary	1,537,309			
<b>Secondary</b>				
Caludon Castle	3,321,454			
Kingsbury	175,917			
<b>Total</b>	<b>5,034,680</b>			

**Premises**

The Trust has appointed an estate and facilities manager who is now responsible for overseeing the building maintenance and development programme for each school site as well as ensuring health and safety guidelines are adhered to.

Building Development	Total Costs		Projects Completed
	2017/18	Est. Balance 2018/19	
<b>Primary</b>			
Hill Farm Primary	£103,097	£2,644	First floor refurbishment
<b>Secondary</b>			
Caludon Castle	£111,959	-	Toilet refurbishment
Kingsbury	£186,236	£4,163	CIF funded boiler project



**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**Human Resources**

The mean gender pay gap statistics for Castle Phoenix Trust identify that women are 7.97% lower paid compared to men in the Trust. This is below the national average of 18% however the Trust is still committed towards seeing an improvement.

The Trust employs a higher ratio of part-time teachers compared to the national average for both primary and secondary sectors which will have helped the Trust to ensure all schools were fully staffed for 2018.

There is a further pattern of reduced sickness absence across the Trust albeit Teacher sickness absence for the primary schools increased. The increase relates to staff who have now left or gone on maternity leave. The Trust overall absence rate of 2.2% is lower than the public sector average of 2.6% which has significantly reduced recently according to national statistics.

Staff turnover has increased slightly and is 16.86% compared to 15.08% for last year. Turnover in the secondary schools was higher owing to fixed term contracts ending for maths teachers, cover teachers, apprentices and also for casual staff. The increase is also owing, in part, to curriculum support staff successfully gaining school direct and university placements.

10 Trust policies were reviewed and updated. Discussions are on-going with unions to formalise the on-going process for Trust wide consultation and negotiation for more significant staffing policies and matters.

The wellbeing strategy is building momentum and a staff survey provided consistent responses to enable the Trust to act on feedback and provide resource to cascade strategies across the Trust.

The support staff performance management process has been fine-tuned and training has commenced in order that the process can be introduced across the Trust during 2018/19.

Two members of the Trust HR team are well trained and proactively engaged in the people strategy that has been developed with significant input from a range of staff. This strategy is used to attract candidates within recruitment literature. The HR team has procured a MAT subscription for TES for no extra cost and has benefitted from having more control and capped expenditure through a MAT WM jobs recruitment package. Full analysis of this will be undertaken on completion of the full year's usage. Having Trust career websites should attract candidates interested in secure MATs and will increase exposure of the Trust through candidate searches. The government's teaching jobs service can work alongside the websites which is due to pilot in the West Midlands in February. All schools within the Trust will be on identical packages which will enable recruitment branding to develop.

**Risk Management**

The Trust has a risk register in place and it is used to monitor risks that the Trust has identified as possible threats to the organisation. There is some but as yet unstructured relationships between the Trust Risk plan and those in the academies.

Audits completed	Type	Date completed	Risk rating?
<b>Primary</b>			
Hill Farm Primary	Safeguarding	Feb 2018	Follow up to take place
Hill Farm Primary	Internal Assurance Report	July 2018	6 recommendations
<b>Secondary</b>			
Caludon Castle	Internal Assurance Report	July 2018	5 recommendations
Kingsbury	Internal Assurance Report	July 2018	5 recommendations

**CASTLE PHOENIX TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Multi Academy Trust's aims and objectives and in planning its future activities.

**Achievements and Performance  
Going Concern**

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

**Financial Review**

Most of Castle Phoenix Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

Castle Phoenix Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund.

The market value of Caludon Castle land and buildings is included in the PFI contract and as such stays with Coventry Education Partnerships.

The land, buildings and other assets of Hill Farm Primary were transferred to Castle Phoenix Trust upon conversion. Land and buildings were professionally valued by Mouchel on 31 March 2014 at £1,969,000.

The land, buildings and other assets of Kingsbury School were transferred to Castle Phoenix Trust on 1 April 2016. Land and buildings valuation supplied by the Erudition Trust on conversion was £5,312,775.

Castle Phoenix Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending.

**Reserves Policy**

The Board of Trustees review the reserve levels of the Castle Phoenix Trust annually.

This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academies, the uncertainty over future income streams. The Governors have determined that the appropriate level of reserves should be one month's salary for each individual academy; £950,000. With two new schools joining the Trust in October and December, this figure will need to rise to £1,500,000.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that Castle Phoenix Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from Castle Phoenix Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of Castle Phoenix Trust. Provision has been made for the pension deficit that the Trust will inherit with the new members. CIF bids are to be submitted in December 2018 which total £2,141,178. Should the bid be unsuccessful funds will be required as works will need to take place for health and safety reasons. An ICT audit is to be conducted over all the schools which will result in a minimum

**CASTLE PHOENIX TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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additional spend of £80k. With the uncertainty around future funding levels, CPT takes a prudent approach to the levels of reserves it carries forward, whilst ensuring all academies within the trust are sufficiently resourced.

**Investment Policy**

The Board of Trustees will consider an investment policy through the Finance & Resources Committee.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which Castle Phoenix Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing Castle Phoenix Trust are as follows:

Financial – Castle Phoenix Trust has considerable reliance on continued Government funding through the EFA. In the last year Castle Phoenix Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage Castle Phoenix Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees/Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of Castle Phoenix Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees/Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees/Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of Castle Phoenix Trust is reliant upon the quality of its staff and so the Trustees/Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – Castle Phoenix Trust has good delegation of duties and an internal audit procedure to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

A Risk Register was drawn up and continues to be reviewed, by the Audit and Risk Committee. This includes the financial risks to Castle Phoenix Trust. The register will be reviewed in light of any new information and formally reviewed annually.

The Trustees/Governors have assessed the major risks to which Castle Phoenix Trust would be exposed to; in particular those relating to its finances, teaching, facilities and PFI risks.

Whilst Caludon Castle is over-subscribed, Hill Farm and Kingsbury are currently under subscribed therefore risks to revenue funding are possible. Moreover, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and PFI costs mean that budgets will be increasingly tight in coming years.

The governors examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance & Resources Committee meetings.

At the year end, Castle Phoenix Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

**CASTLE PHOENIX TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However as the Trustees/Governors consider that Castle Phoenix Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**FUNDRAISING**

Castle Phoenix Trust raises money for charities across all its schools.

All monies collected are done so in line with the Castle Phoenix Trust Financial Management Procedures Policy which ensures fundraising conforms to recognised standards and duties are delegated to ensure that at no point only one person counts the monies raised. With each charity collection, information is supplied to inform all who donate what the charity is specifying what it will be used for where necessary. Professional fundraisers are not employed by the Trust.

During the financial year 2017/18, the charities fundraising activities raised a total of £9,289. Individual schools raised monies for the following charities:

Caludon Castle School

Cancer Research	£ 300
Dogs Trust	£ 350
Alzheimers	£ 380
MIND	£ 250
Coventry Haven	£2,000
Save the Children	£ 230
Children in Need	£1,500
Hello Yellow	£ 500
Total	£5,510

Hill Farm Primary School

Children in Need	£ 343
Breast Cancer Now	£ 358
Save the Children	£ 138
Total	£ 839

Kingsbury School

Christmas Jumper Day	£ 492
Children in Need	£ 925
Macmillan	£ 213
Kingsbury Methodist Church	£1,311
Total	£2,940

**PLANS FOR FUTURE PERIODS**

Castle Phoenix Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. Castle Phoenix Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Castle Phoenix Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Caludon Castle was designated as a teaching school with effect from 1 September 2013 and continues to receive funding for its operations.

Following the notification of a successful Condition Improvement Fund bids, Kingsbury School will benefit in the year 2018/19 from external window and door replacements and Hill Farm will benefit from a replacement boilers including building management system upgrades and drainage works.

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

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

Castle Phoenix Trust and its Trustees/Governors do not act as the Custodian Trustees of any other Charity.

**Employees and disabled persons** - the average number of employees exceeds 250 therefore the Multi Academy Trust, in accordance with requirements discloses the following:

- for disabled employees - The aims and objectives of the fair recruitment process are:
  - To ensure that the safeguarding and welfare of children and young people takes place at each stage of the process.
  - To ensure a consistent, equitable and effective approach to the appointment of all school staff.
  - To ensure all relevant equal opportunities legislation is adhered to and that appointees are not discriminated against on the grounds of ethnic origin, nationality, gender, religion, age, disability, marital status or sexual orientation.
  - To ensure documentation relating to applicants is treated with utmost confidentiality in accordance with the Data Protection Act 1998.
  - To ensure the most cost effective use is made of resources in the recruitment and selection process.
- for employee consultation – establishments of Castle Phoenix Trust have briefing/meeting schedules in place ensures all staff are communicated with on a regular basis:

	Caludon Castle School	Hill Farm Primary	Kingsbury School
Weekly	Whole Staff Briefing SLT Faculty Team Briefings	Leadership Team Whole Staff Briefing/Whole Staff CPD Year Teams Administration Team Lunchtime Supervisor Team	SLT Briefing Whole Staff Briefing SLT Strategic Meeting Faculty briefings Staff Meetings (either Faculty, Year Team or Head of Faculty on rotation) Year Team Briefings
Fortnightly	LT Meeting Year Teams	Teaching Assistant Team Strategic Leadership Group	
Half-termly	Leaders of Learning Strategic Management Group		CPD Sessions

Caludon Castle Leadership Team meet each morning, following which notes are e-mailed out to all staff.

**Trustees' indemnities** – no third party indemnity provisions were made during the year or at the date of approval of the Trustees' report.

**CASTLE PHOENIX TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**AUDITORS**

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:



**Mark Friday**  
Chair of Trustees

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 Phoenix Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. Members of all the committees are appointed giving consideration to the skills audit to ensure each committee has the necessary skills to fully contribute to the running and development of Castle Phoenix Trust.

#### **Board of Trustees**

The purpose of the Board of Trustees is set out on page 2 of the Trustees Report. The Board of Trustees has formally met four times during the year 2017/18. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Friday (Chair)	4	4
H Reilly (Vice Chair)	3	4
W Taylor-Dowson	0	4
L Hancock	1	4
M Marr (CEO and Accounting Officer)	4	4
R Winters	2	4
N Forrest	3	4
K Ireland	4	4
K McDowall	1	4
S Sharif	4	4
P Simpson	4	4

W Taylor-Dowson resigned from the Board and Finance & Resources Committees due to work commitments, as at 31 August 2018 but agreed to become a member from 1 September 2018. M Marr stepped down as a member in line with recommended good practice. A further two members have been appointed from 1 September 2018 as reported to the RSC in preparation for two additional schools joining the Trust. K Ireland was appointed to the Board in her role as Chair of Caludon Local Governing Body. N Forrest, K McDowall and S Sharif were appointed on 18 October 2017.

The Board has considered the Trust performance documents along with the School Improvement Advisory Panel feedback to ensure each school is on track with targets set and is following the Trust vision and values.

A Key development work of the committee has been to include additional planning meetings to ensure the Board can strategically plan ahead. The meeting in November 2017 utilised David Carter's framework to categorise the individual schools along with which Trust functions should be standardised, aligned or autonomous to each school. All governors agreed that the discussions had been helpful and generated questions and guidance for future development and refinement of trust values and practice.

The board reviewed extensive due diligence for the two September 2018 academy conversions.

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**Finance and Resources Committee**

The purpose of the Finance and Resources Committee is set out on page 3 of the Trustees Report. The Finance and Resources Committee is a sub-committee of the main Board of Trustees. The Committee formally met four times during the year 2017/18. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Friday (Chair)	4	4
W Taylor-Dowson	0	4
B Sedgebear	4	4
R Winters	1	4
K Healey	0	2
C Pearce	1	2

K Healey stepped down as a Governor due to other commitments, at the end of the year. C Pearce was appointed 18 October 2018 and attended in her place. W Taylor-Dowson resignation is detailed under Board of Trustees above.

**HR & Governance Committee**

The purpose of the **HR & Governance Committee** is set out on page 3 of the Trustees Report. The HR & Governance Committee is also a sub-committee of the main Board of Trustees.

The Committee formally met three times during the year 2017/18. Attendance during the year at meetings of the HR & Governance Committee was as follows:

Trustee	Meetings attended	Out of a possible
L Hancock (Chair)	2	3
R Liddle	3	3
E Over	3	3
R Winters	0	3
H Reilly	3	3
P Simpson (Vice Chair)	3	3

**Local Governing Body Committee**

All academies in Castle Phoenix Trust, Caludon Castle School, Hill Farm Primary and Kingsbury School, operate a Local Governing Body Committee as sub-committees of the main Board of Directors.

The purpose of the Local Governing Body Committee is set out on page 3 of the Trustees Report.

**Caludon Castle Local Governing Body** formally met four times during the year 2017/18. Attendance during the year at meetings of the Local Governing Body Committee was as follows:



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**GOVERNANCE STATEMENT (continued)**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Ireland (Chair)	4	4
B Sedgebear (Vice-Chair)	2	4
E Over	4	4
A Davoile	2	4
A Dhillon	1	4
K Docking (Associate)	0	1
A Courts	4	4
L Campton	2	4
S Dunn	0	0
C Hubbard	0	2
A Underhill	2	4
M Fletcher	1	2
A Simpson	1	4
T Watkins	2	2

A Simpson appointed 1 September 2017, resigned 31 August 2017 but will become a member from 1 September 2018

S Dunn resigned 4 September 2017

K Docking resigned 30 September 2017

M Fletcher resigned 9 November 2017

C Hubbard resigned 13 November 2017

T Watkins was appointed 15 February 2018

**Hill Farm Local Governing Body** formally met five times during the year 2017/18. Attendance during the year at meetings of the Local Governing Body Committee was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Winters (Chair)	5	5
C Harrison (Vice Chair)	2	5
R Liddle	5	5
A Crawford	5	5
M Brown	5	5
H Wintle	3	3
I Houghton	3	3
B Bell	2	3
Z Lilley	2	3

H Wintle, I Houghton and Z Lilley were appointed on 15 February 2018

B Bell was appointed on 15 February 2018 and resigned on 20 June 2018

**CASTLE PHOENIX TRUST  
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**GOVERNANCE STATEMENT (continued)**

**Kingsbury Local Governing Body** formally met six times during the year 2017/18. Attendance during the year at meetings of the Local Governing Body Committee was as follows:

Trustee	Meetings attended	Out of a possible
H Reilly (Chair)	6	6
L Bush (Vice Chair)	5	6
B Wakelin	4	6
S Burley	0	3
P Sadler	5	6
M Dugdale	4	6
M Hewish	4	6
K Healey	5	6
B Moss	4	6
S Leach	2	2

D Peace appointed 18 October 2017

C Pearce appointed 18 October 2017

H Pickering appointed 18 October 2017

P Sadler resigned 28 February 2018

S Essex appointed 7 May 2018

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Accounting Officer has responsibility for ensuring that the Multi 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 Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- As an expanding Trust it brings with it the possibilities of improving purchasing power across the Trust.  
A new telephone system will bring savings of £11,000 over 3 years  
A number of Trust subscriptions have returned substantial discounts which has benefitted all the schools within the Trust.
- Deploying staff effectively across the Trust to share good practice and expertise which will also enable additional in house training. This will save costs as well as provide employees with development opportunities.
- Reviewing controls and managing risks through the Audit and Risk Committee to review and challenge the risk register.
- Securing grant bids for life safety projects at Kingsbury along with life safety provisions, i.e. fire doors etc. and drainage works at Hill Farm along with boiler works at both Kingsbury and Hill Farm
- Refurbishing the first floor at Hill Farm allowing the space to become a valuable area for the safeguarding team.
- Challenging proposals across the Trust and examining their effectiveness and efficiency.
- Reviewing quality of curriculum provision and quality of teaching.

**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 Multi 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 Phoenix Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**CASTLE PHOENIX TRUST  
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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources 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 have Bishop Fleming to carry out the internal assurance reviews.

**REVIEW OF EFFECTIVENESS**

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

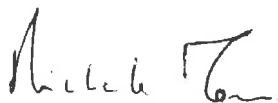
- obtaining Internal Assurance reports;
- the work of the external auditors;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:



**M Friday  
Chair of Trustees**



**M Marr  
Accounting Officer**

**CASTLE PHOENIX TRUST  
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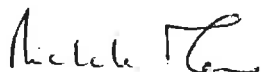
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Castle Phoenix Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**M Marr**  
**Accounting Officer**  
11/12/18

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**M Friday  
Chair of Board of Directors**

**Date: 11 December 2018**

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CASTLE PHOENIX TRUST**

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**OPINION**

We have audited the financial statements of Castle Phoenix Trust (the 'Multi Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Multi Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Multi Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CASTLE PHOENIX TRUST**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi Academy Trust or to cease operations, or have no realistic alternative but to do so.

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CASTLE PHOENIX TRUST**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**USE OF OUR REPORT**

This report is made solely to the Multi Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Multi Academy Trust'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 Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wood FCCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: *19<sup>th</sup> December 2018.*



**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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In accordance with the terms of our engagement letter dated 2 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle Phoenix Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Castle Phoenix Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Castle Phoenix Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Castle Phoenix Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CASTLE PHOENIX TRUST'S AND THE REPORTING ACCOUNTANT**

The is responsible, under the requirements of Castle Phoenix Trust's funding agreement with the Secretary of State for Education dated 31 January 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CASTLE PHOENIX TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CASTLE  
PHOENIX TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
1-3 College Yard  
Worcester  
WR1 2LB

Date: 19<sup>th</sup> December 2018

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	275,473	713,176	988,649	545,690
Charitable activities	3	256,005	15,312,060	-	15,568,065	15,604,425
Other trading activities	4	279,873	-	-	279,873	275,967
Investments	5	3,497	-	-	3,497	2,692
<b>TOTAL INCOME</b>		<b>539,375</b>	<b>15,587,533</b>	<b>713,176</b>	<b>16,840,084</b>	<b>16,428,774</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		181,881	16,424,905	240,915	16,847,701	16,315,213
<b>TOTAL EXPENDITURE</b>	6	<b>181,881</b>	<b>16,424,905</b>	<b>240,915</b>	<b>16,847,701</b>	<b>16,315,213</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		357,494	(837,372)	472,261	(7,617)	113,561
Actuarial gains on defined benefit pension schemes	23	-	1,073,000	-	1,073,000	384,000
<b>NET MOVEMENT IN FUNDS</b>		<b>357,494</b>	<b>235,628</b>	<b>472,261</b>	<b>1,065,383</b>	<b>497,561</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,194,531	(2,309,851)	8,984,189	8,868,869	8,371,308
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,552,025</b>	<b>(2,074,223)</b>	<b>9,456,450</b>	<b>9,934,252</b>	<b>8,868,869</b>

The notes on pages 36 to 58 form part of these financial statements.

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08331385**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	14		9,014,259		8,814,964
<b>CURRENT ASSETS</b>					
Debtors	15	666,386		550,051	
Cash at bank and in hand		5,866,714		6,532,010	
		<u>6,533,100</u>		<u>7,082,061</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(1,132,107)		(1,878,156)	
<b>NET CURRENT ASSETS</b>			<u>5,400,993</u>		<u>5,203,905</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>14,415,252</u>		<u>14,018,869</u>
Defined benefit pension scheme liability	23		(4,481,000)		(5,150,000)
<b>NET ASSETS</b>			<u><u>9,934,252</u></u>		<u><u>8,868,869</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	18	2,406,777		2,840,149	
Fixed asset funds	18	9,456,450		8,984,189	
Restricted funds excluding pension liability		<u>11,863,227</u>		<u>11,824,338</u>	
Pension reserve		(4,481,000)		(5,150,000)	
Total restricted funds			<u>7,382,227</u>		<u>6,674,338</u>
Unrestricted funds	18		<u>2,552,025</u>		<u>2,194,531</u>
<b>TOTAL FUNDS</b>			<u><u>9,934,252</u></u>		<u><u>8,868,869</u></u>

The financial statements on pages 33 to 58 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

  
**M Friday**  
**Chair of Board of Directors**

The notes on pages 36 to 58 form part of these financial statements.

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	<b>(941,759)</b>	1,693,238
<b>Cash flows from investing activities:</b>			
Investment income		<b>3,497</b>	2,692
Purchase of tangible fixed assets		<b>(440,210)</b>	(621,561)
Capital grants from DfE Group		<b>713,176</b>	290,188
<b>Net cash provided by/(used in) investing activities</b>		<b>276,463</b>	(328,681)
<b>Change in cash and cash equivalents in the year</b>		<b>(665,296)</b>	1,364,557
Cash and cash equivalents brought forward		<b>6,532,010</b>	5,167,453
<b>Cash and cash equivalents carried forward</b>	21	<b>5,866,714</b>	6,532,010

The notes on pages 36 to 58 form part of these financial statements.

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Castle Phoenix Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

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

**1.3 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi Academy Trust at the discretion of the Trustees.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All income is recognised once the Multi Academy Trust 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 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 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.

Donations are recognised on a receivable basis where receipt is probable 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.

**1.5 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 on charitable activities are costs incurred on the Multi Academy Trust's educational operations, including support costs and those costs relating to the governance of the Multi Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the Academy Trust was granted a 125 year lease from the local authority for the land and buildings previously occupied by the Local Authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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	-	Land: over 125 years Buildings: over 50 years Improvements: over 10 years
Fixtures and fittings	-	Over 5 years
Motor vehicles	-	over 10 years
Computer equipment	-	over 3 years

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

**1.7 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.8 TAXATION**

The Multi 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 Multi 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.



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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.10 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.11 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**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 and cash on deposit that has a notice period of less than 30 days.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 FINANCIAL INSTRUMENTS**

The Multi Academies Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi Academies Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Multi Academies Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Multi Academies Trust's wholly owned subsidiary are held at face value less any impairment.

**1.14 AGENCY ARRANGEMENTS**

The Multi Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Multi Academy Trust does not have control over the charitable application of the funds. The Multi Academy Trust can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 28.

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

**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Multi Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Multi Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Multi Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	275,473	-	275,473	176,336
Capital Grants	-	-	713,176	713,176	369,354
	-	275,473	713,176	988,649	545,690
Total 2017	-	176,336	369,354	545,690	

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	13,917,245	13,917,245	13,725,074
Start up Grants	-	80,000	80,000	-
Other DfE/EFA grants	-	665,287	665,287	731,085
	-	14,662,532	14,662,532	14,456,159
<b>Other Government grants</b>				
Other government grants non capital	-	246,214	246,214	206,937
	-	246,214	246,214	206,937
<b>Other funding</b>				
Internal catering income	132,991	-	132,991	131,411
Other	123,014	403,314	526,328	809,918
	256,005	403,314	659,319	941,329
	256,005	15,312,060	15,568,065	15,604,425
Total 2017	408,991	15,195,434	15,604,425	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Consultancy	74,712	-	74,712	68,919
Other	205,161	-	205,161	207,048
	279,873	-	279,873	275,967
Total 2017	275,967	-	275,967	

**CASTLE PHOENIX TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	3,497	-	3,497	2,692
Total 2017	2,692	-	2,692	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	10,099,703	-	1,377,864	11,477,567	10,763,717
Support costs	2,335,067	781,258	2,118,727	5,235,052	5,551,496
Teaching school:					
Direct costs	-	-	24,512	24,512	-
Support costs	-	-	110,570	110,570	-
	12,434,770	781,258	3,631,673	16,847,701	16,315,213
Total 2017	11,763,510	694,959	3,856,744	16,315,213	

**7. DIRECT COSTS**

	Teaching school £	Education £	Total 2018	Total 2017 £
Pension finance costs	-	50,310	50,310	41,730
Educational supplies	494	209,331	209,825	288,528
Examination fees	-	205,749	205,749	214,757
Staff development	10,860	230,678	241,538	112,834
Other costs	13,158	359,602	372,760	284,675
Supply teachers	-	335,421	335,421	356,298
Technology costs	-	81,279	81,279	88,090
Wages and salaries	-	7,654,421	7,654,421	7,133,946
National insurance	-	783,869	783,869	705,131
Pension cost	-	1,325,992	1,325,992	1,322,750
Depreciation	-	240,915	240,915	214,978
	24,512	11,477,567	11,502,079	10,763,717
Total 2017	-	10,763,717	10,763,717	

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**8. SUPPORT COSTS**

	Teaching school £	Education £	Total 2018	Total 2017 £
Pension finance costs	-	78,690	78,690	65,270
Other costs	3,834	4,721	8,555	64,118
Recruitment and support	-	30,992	30,992	29,353
Maintenance of premises and equipment	913	387,565	388,478	499,543
Rent and rates	-	101,979	101,979	93,245
Energy costs	-	128,492	128,492	77,006
Insurance	-	448	448	3,466
Security and transport	-	33,558	33,558	31,067
Catering	3,999	140,184	144,183	108,703
Technology costs	-	131,365	131,365	124,729
Office overheads	228	78,989	79,217	71,415
Legal and professional	101,221	258,627	359,848	402,184
Service level agreements	-	455,041	455,041	442,238
PFI charge	-	1,048,214	1,048,214	1,253,949
Educational Consultancy	375	-	375	-
Governance	-	21,120	21,120	39,825
Wages and salaries	-	1,590,284	1,590,284	1,566,604
National insurance	-	120,904	120,904	114,235
Pension cost	-	623,879	623,879	564,546
	<b>110,570</b>	<b>5,235,052</b>	<b>5,345,622</b>	<b>5,551,496</b>
Total 2017	-	5,551,496	5,551,496	

**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	240,915	214,978
Auditors' remuneration - audit	18,900	18,300
Auditors' remuneration - other services	4,520	9,080
Operating lease rentals	39,578	40,349

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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	9,203,239	8,700,550
Social security costs	904,773	819,366
Operating costs of defined benefit pension schemes	1,949,871	1,887,296
	<u>12,057,883</u>	<u>11,407,212</u>
Agency staff costs	335,421	356,298
Staff restructuring costs	41,466	-
	<u><u>12,434,770</u></u>	<u><u>11,763,510</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	<u>41,466</u>	<u>-</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are two non-statutory severance payments totalling £11,250 and £30,216. (2017: £NIL).

**c. Staff numbers**

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

	2018 No.	2017 No.
Teaching Staff	161	159
Admin and teaching support	240	249
Strategic leadership	32	31
	<u>433</u>	<u>439</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teaching Staff	143	140
Admin and teaching support	125	124
Strategic leadership	31	29
	<u>299</u>	<u>293</u>

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**10. STAFF COSTS (continued)**

**d. Higher paid staff**

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

	<b>2018</b>	2017
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>5</b>	3
In the band £70,001 - £80,000	<b>2</b>	2
In the band £80,001 - £90,000	<b>1</b>	1
In the band £100,001 - £110,000	<b>1</b>	0
In the band £110,000 - £120,000	<b>0</b>	1

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,427,916 (2017: £1,086,072).

**11. CENTRAL SERVICES**

The Multi Academy Trust has provided the following central services to its academies during the year:

- School improvement
- Finance
- Premises
- Human resources
- Governance
- ICT

The Multi Academy Trust charges for these services on the following basis:

3.2% of GAG for each financial year. Caludon Castle bears all of the central costs and then levies 3.2% GAG charge to Hill Farm and Kingsbury for these.

The actual amounts charged during the year were as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Hill Farm Primary School	<b>77,664</b>	76,427
Kingsbury School	<b>106,418</b>	103,333
Total	<b>184,082</b>	179,760



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**12. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments for the academy in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; Mrs M Marr: Remuneration £105,000 - £110,000 (2017: £110,000 - £115,000), Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £12,000).

Other related party transactions involving the trustees are set out in note 25.

During the year ended 31 August 2018, expenses totalling £455 (2017: £NIL) were reimbursed to 1 Trustee (2017: Nil).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim.

**14. TANGIBLE FIXED ASSETS**

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2017	8,982,077	53,055	127,213	152,373	9,314,718
Additions	424,022	-	-	16,188	440,210
At 31 August 2018	9,406,099	53,055	127,213	168,561	9,754,928
<b>DEPRECIATION</b>					
At 1 September 2017	399,428	8,136	46,400	45,790	499,754
Charge for the year	162,309	5,306	25,443	47,857	240,915
At 31 August 2018	561,737	13,442	71,843	93,647	740,669
<b>NET BOOK VALUE</b>					
At 31 August 2018	8,844,362	39,613	55,370	74,914	9,014,259
At 31 August 2017	8,582,649	44,919	80,813	106,583	8,814,964

**15. DEBTORS**

	2018 £	2017 £
Trade debtors	39,122	13,561
Other debtors	15,350	3,804
Prepayments and accrued income	212,728	209,611
VAT recoverable	399,186	323,075
	666,386	550,051

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**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	582,218	972,935
Other taxation and social security	150,390	144,060
Other creditors	335,560	609,997
Accruals and deferred income	63,939	151,164
	<u>1,132,107</u>	<u>1,878,156</u>
	2018 £	2017 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2017	36,487	-
Resources deferred during the year	45,039	36,487
Amounts released from previous years	(36,487)	-
	<u>45,039</u>	<u>36,487</u>
Deferred income at 31 August 2018	<u>45,039</u>	<u>36,487</u>

At the balance sheet date the Multi Academy Trust was holding funds received in advance for trips due to run in the 2018/19 year, and Universal Infant Free School Meals income received that relates to 2018/19.

**17. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at amortised cost	6,484,858	7,056,701
Financial liabilities measured at amortised cost	(936,678)	(1,697,609)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income, and VAT recoverable.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, and accruals.

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**18. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>					
General funds	2,194,531	539,375	(181,881)	-	2,552,025
<b>RESTRICTED FUNDS</b>					
General Annual Grant (GAG)	2,702,778	13,770,517	(14,295,535)	-	2,177,760
Higher Needs funding	-	14,514	(14,514)	-	-
Pupil Premium (PP)	-	621,554	(621,554)	-	-
Start Up Grant (SUG)	-	80,000	-	-	80,000
Other ESFA grants	-	18,223	(18,223)	-	-
Other Government grants	-	231,700	(231,700)	-	-
Teaching school	137,371	146,728	(135,082)	-	149,017
Free School Meals (FSM)	-	25,510	(25,510)	-	-
Other restricted income	-	678,787	(678,787)	-	-
Pension reserve	(5,150,000)	-	(404,000)	1,073,000	(4,481,000)
	(2,309,851)	15,587,533	(16,424,905)	1,073,000	(2,074,223)
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Fixed assets transferred on conversion	7,042,831	-	(114,658)	-	6,928,173
Fixed assets purchased from GAG	121,857	-	(61,055)	-	60,802
Devolved Formula Capital (DFC)	191,650	56,617	(31,467)	-	216,800
Condition Improvement Fund (CIF)	1,627,851	656,559	(33,735)	-	2,250,675
	8,984,189	713,176	(240,915)	-	9,456,450
Total restricted funds	6,674,338	16,300,709	(16,665,820)	1,073,000	7,382,227
Total of funds	8,868,869	16,840,084	(16,847,701)	1,073,000	9,934,252

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

**RESTRICTED FUNDS:**

**General Annual Grant (GAG)** - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

**Higher Needs funding** - Funding received by the Local Authority to fund further support for students with additional needs.

**Pupil Premium (PP)** - Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the students who need it most.

**Start Up Grant (SUG)** - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

**Other ESFA/DfE and Government grants** - Income which has been received for specific purposes.

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**18. STATEMENT OF FUNDS (continued)**

**Teaching school** - Income which is used to fund trainee teachers that are learning in house, rather than through university.

**Free School Meals (FSM)** - Income received from the ESFA to provide Free School Meals.

**Other restricted income** - This relates to income received that has to be spent on specific expenses.

**Pension reserve** - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS).

**CAPITAL GRANTS:**

**Fixed assets transferred on conversion** - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

**Fixed assets purchased from GAG** - This represents capital assets that have been purchases out of restricted GAG funding.

**Devolved Formula Capital (DFC)** - This represents funding from the ESFA to cover maintenance and purchase of the schools assets.

**Condition Improvement Fund (CIF)** - This represents funding from the ESFA to cover maintenance and purchase of the schools assets.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Caludon Castle School	<b>3,025,302</b>	3,321,454
Hill Farm Primary School	<b>1,609,107</b>	1,537,309
Kingsbury School	<b>324,393</b>	175,917
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>4,958,802</b>	5,034,680
Restricted fixed asset fund	<b>9,456,450</b>	8,984,189
Pension reserve	<b>(4,481,000)</b>	(5,150,000)
	<hr/>	<hr/>
Total	<b>9,934,252</b>	8,868,869
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Caludon Castle School	5,145,067	1,526,083	107,382	2,893,317	9,671,849	8,980,486
Hill Farm Primary School	1,987,196	234,670	58,408	545,712	2,825,986	2,623,943
Kingsbury School	2,168,007	763,326	44,035	729,583	3,704,951	3,836,806
	<u>9,300,270</u>	<u>2,524,079</u>	<u>209,825</u>	<u>4,168,612</u>	<u>16,202,786</u>	<u>15,441,235</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	1,737,720	687,650	(230,839)	-	2,194,531
<b>RESTRICTED FUNDS</b>					
General Annual Grant (GAG)	2,597,610	13,583,969	(13,478,801)	-	2,702,778
Higher Needs funding	-	10,114	(10,114)	-	-
Pupil Premium (PP)	-	633,090	(633,090)	-	-
Other ESFA grants	-	22,958	(22,958)	-	-
Other Government grants	-	196,823	(196,823)	-	-
Teaching school	81,165	141,105	(84,899)	-	137,371
Free School Meals (FSM)	-	75,037	(75,037)	-	-
Other restricted income	-	708,674	(708,674)	-	-
Pension reserve	(4,875,000)	-	(659,000)	384,000	(5,150,000)
	<u>(2,196,225)</u>	<u>15,371,770</u>	<u>(15,869,396)</u>	<u>384,000</u>	<u>(2,309,851)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
Fixed assets transferred on conversion	7,157,489	-	(114,658)	-	7,042,831
Fixed assets purchased from GAG	174,389	-	(52,532)	-	121,857
Devolved Formula Capital (DFC)	152,443	57,150	(17,943)	-	191,650
Condition Improvement Fund (CIF)	1,345,492	312,204	(29,845)	-	1,627,851
	<u>8,829,813</u>	<u>369,354</u>	<u>(214,978)</u>	<u>-</u>	<u>8,984,189</u>
Total restricted funds	<u>6,633,588</u>	<u>15,741,124</u>	<u>(16,084,374)</u>	<u>384,000</u>	<u>6,674,338</u>
Total of funds	<u>8,371,308</u>	<u>16,428,774</u>	<u>(16,315,213)</u>	<u>384,000</u>	<u>8,868,869</u>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,014,259	9,014,259
Current assets	3,078,598	2,956,666	497,836	6,533,100
Creditors due within one year	(526,573)	(549,889)	(55,645)	(1,132,107)
Pension scheme liability	-	(4,481,000)	-	(4,481,000)
	<u>2,552,025</u>	<u>(2,074,223)</u>	<u>9,456,450</u>	<u>9,934,252</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,814,964	8,814,964
Current assets	2,580,121	3,873,457	628,483	7,082,061
Creditors due within one year	(385,590)	(1,033,308)	(459,258)	(1,878,156)
Provisions for liabilities and charges	-	(5,150,000)	-	(5,150,000)
	<u>2,194,531</u>	<u>(2,309,851)</u>	<u>8,984,189</u>	<u>8,868,869</u>

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(7,617)	113,561
<b>Adjustment for:</b>		
Depreciation charges	240,915	214,978
Interest received	(3,497)	(2,692)
(Increase)/decrease in debtors	(116,335)	898,416
(Decrease)/increase in creditors	(746,049)	100,163
Capital grants from DfE and other capital income	(713,176)	(290,188)
Defined benefit pension scheme cost less contributions payable	275,000	552,000
Defined benefit pension scheme finance cost	129,000	107,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(941,759)</u>	<u>1,693,238</u>

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

	2018 £	2017 £
Cash at bank and in hand	5,866,714	6,532,010
	<u>5,866,714</u>	<u>6,532,010</u>

**22. CAPITAL COMMITMENTS**

At 31 August 2018 the Multi Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	910,250	291,018
	<u>910,250</u>	<u>291,018</u>

**23. PENSION COMMITMENTS**

The Multi Academy Trust'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 Coventry 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 2016.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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.

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**23. PENSION COMMITMENTS (continued)**

- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £1,037,325 (2017: £978,611).

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)).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £764,000 (2017: £441,000), of which employer's contributions totalled £627,000 (2017: £319,000) and employees' contributions totalled £137,000 (2017: £122,000). The agreed contribution rates for future years are 17.6 - 19.2% for employers and 5.5 - 12.5% 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.

West Midlands Pension Fund (Caludon Castle High School and Hill Farm Primary School)

Principal actuarial assumptions:

	<b>2018</b>	<b>2017</b>
Discount rate for scheme liabilities	<b>2.65 %</b>	2.60 %
Rate of increase in salaries	<b>3.80 %</b>	4.20 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.70 %

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

	<b>2018</b>	<b>2017</b>
Retiring today		
Males	<b>21.9</b>	21.8
Females	<b>24.4</b>	24.3
Retiring in 20 years		
Males	<b>24.1</b>	24.0
Females	<b>26.7</b>	26.6



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**23. PENSION COMMITMENTS (continued)**

Warwickshire County Council Pension Fund (Kingsbury School)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.90 %	3.00 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.7	24.7
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £</b>	<b>At 31 August 2017 £</b>
Discount rate +0.1%	5,177,000	5,112,000
Discount rate -0.1%	5,424,000	5,355,000
Mortality assumption - 1 year increase	5,471,000	5,402,000
Mortality assumption - 1 year decrease	5,133,000	5,068,000
CPI rate +0.1%	5,405,000	5,329,000
CPI rate -0.1%	5,196,000	5,138,000

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	3,096,000	2,585,000
Gilts	567,000	206,000
Corporate bonds	128,000	379,000
Property	454,000	342,000
Cash	172,000	165,000
Other	481,000	373,000
<b>Total market value of assets</b>	<b>4,898,000</b>	<b>4,050,000</b>

The actual return on scheme assets was £102,000 (2017: £689,000).

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**23. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Current service cost	(902,000)	(729,000)
Past service cost	-	(143,812)
Interest income	113,000	66,000
Interest cost	(242,000)	(173,000)
Total	<u>(1,031,000)</u>	<u>(979,812)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	9,200,000	7,761,000
Current service cost	902,000	729,000
Interest cost	242,000	173,000
Employee contributions	137,000	122,000
Actuarial (gains)/losses	(1,090,000)	255,000
Benefits paid	(12,000)	18,000
Past service costs	-	142,000
Closing defined benefit obligation	<u>9,379,000</u>	<u>9,200,000</u>

Movements in the fair value of the Multi Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	4,050,000	2,886,000
Interest income	113,000	66,000
Actuarial gains/(losses)	(17,000)	639,000
Employer contributions	627,000	319,000
Employee contributions	137,000	122,000
Benefits paid	(12,000)	18,000
Closing fair value of scheme assets	<u>4,898,000</u>	<u>4,050,000</u>

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**24. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	27,360	39,578
Between 1 and 5 years	11,030	20,540
Total	<u>38,390</u>	<u>60,118</u>

There is a PFI contract which expires in 2032. The Trust are committed to paying 9.5% of Caludon Castle's GAG income each year to the PFI, plus additional costs. In the year ended 31 August 2018 the Trust paid £1,227,839 (2017: £1,253,949), and received an insurance refund of £179,625 (2017: £Nil).

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

M Friday, a Trustee, is employed by the DfE as Project Director in the Free School's capital team. All transactions with the DfE have been conducted on an arms length basis. Trustees' remuneration and expenses have already been disclosed in note 13.

**26. POST BALANCE SHEET EVENTS**

On 1 October 2018, Foxford School joined Castle Phoenix Trust. All assets and liabilities were transferred at this date. The results of Foxford School from this date forwards will be included within the financial statements of Castle Phoenix Trust.

**27. GENERAL INFORMATION**

Castle Phoenix Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Axholme Road, Wyken, Coventry, CV2 5BD.

**28. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

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**29. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 Bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Academy Trust received £35,736 and disbursed £24,256 from the fund. An amount of £34,548 was brought forwards from the prior year, and £46,028 is included in other creditors relating to undistributed funds that is repayable to ESFA.

**30. TEACHING SCHOOL TRADING ACCOUNT**

	2018 £	2018 £	2017 £	2017 £
<b>INCOME</b>				
<b>DIRECT INCOME</b>				
Teaching school	146,728		141,105	
<b>TOTAL INCOME</b>		146,728		141,105
<b>EXPENDITURE</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	45,037		44,624	
Educational supplies and courses	90,045		40,275	
<b>TOTAL DIRECT EXPENDITURE</b>	135,082		84,899	
<b>TOTAL EXPENDITURE</b>		135,082		84,899
<b>SURPLUS FROM ALL SOURCES</b>		11,646		56,206
<b>TEACHING SCHOOL BALANCES AT         1 SEPTEMBER 2017</b>		137,371		81,165
<b>TEACHING SCHOOL BALANCES AT         31 AUGUST 2018</b>		149,017		137,371