

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

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**CASTLE PHOENIX TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Trustees M Friday, Chair¹
L Hancock¹
M Marr¹
P Simpson
W Taylor-Dowson (resigned 4 September 2017)
R Winters
H Reilly
N Forrest (appointed 18 October 2017)
K McDowall (appointed 18 October 2017)
S Sharif (appointed 18 October 2017)

¹ Member

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
C Jones, Headteacher, Hill Farm Primary (resigned 31 August 2017)
M Clarke, Headteacher, Kingsbury School
H Harrison, Director of Finance
E Over, HR Director

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Bankers Lloyds Bank PLC
30 High Street
Coventry
West Midlands
CV1 5RA

**CASTLE PHOENIX TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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**CASTLE PHOENIX TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. 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 2,853 and had a roll of 2,822 in the school census on 18 May 2017.

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 Trustees, also referred to as 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/Governors who served throughout the year 1 September 2016 to 31 August 2017, except as noted, are included in the Governance Statement.

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 ceased to be a member.

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 Directors 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 or Kingsbury School.
- Up to 2 staff Governors appointed by the Board of Directors.
- Up to 7 Community Governors who are appointed by the Board of Directors.
- 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

When appointing new Governors, the Board of Directors 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.

Organisational Structure

The Board of Directors 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 Directors' responsibility for setting and reviewing performance, benchmarking internally and externally, and directing corrective action where necessary;
- Considering and making recommendations to the Board of Directors 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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- 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.

Local Governing Body - 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 judgment 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 Directors 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 Directors 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 Directors 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, three Deputy Heads and an Assistant Head.

Hill Farm Strategic Leadership Team consists of the Headteacher, a Deputy Head and six Assistant Heads.

Kingsbury Leadership team consists of the Headteacher, two Assistant Heads and a Deputy Head.

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 is the Accounting Officer.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 HR & Governance Committee develop and recommend remuneration strategy and policy (including performance management and pay policy) to the board of directors 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.

Connected Organisations, including Related Party Relationships

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.

The Sixth Form at Kingsbury School is operated under an agreement with North Warwickshire and Hinckley College. Funding is received direct from the college and students attend on a consortia basis.

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 the Multi Academy 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 students of different abilities.

Castle Phoenix Trust working values are:

- Trust
- Honesty
- Respect
- Empowerment
- Excellence

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The key aims of Castle Phoenix Trust during the year ended 31 August 2017 are:

- To support and challenge children and staff to achieve their best;
- To constructively, positively and collaboratively work with head teachers within the Trust to develop consistently outstanding practice;
- To share outstanding practice throughout the Trust;
- To identify strengths and 'even better if's' based on in depth knowledge of each school and to ensure that challenging and achievable targets are set;
- To ensure that staff within the Academies understand the ethos and vision of the Trust and practice reflects this;
- To ensure that head teachers are seen as the leading professional in their schools and keep their autonomy;
- To ensure excellent provision for CPD including leadership development; and
- To provide central services for finance, premises management, HR and governance to enable school leaders to focus on teaching and learning.

The Chair of each Trust committees reports to the Board of Directors on a termly basis and their reports include:

- Committee approvals
- Key agenda items discussed
- Challenges ahead
- Strengths / Successes
- Next steps

Castle Phoenix Trust strives to ensure that pupils are motivated and independent learners through the provision of a wide range of learning choices to extend their learning.

We consistently encourage pupils to become lifelong learners who value themselves, others and learning.

We promote social responsibility, resilience, perseverance, creativity and independence to effectively prepare our pupils for an ever changing world.

Objectives, Strategies and Activities

CASTLE PHOENIX TRUST PERFORMANCE 2016 -2017

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

SCHOOL IMPROVEMENT

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 at least in line with national averages**

Progress *	National Average	Progress
Primary		
Hill Farm Primary		
KS2 Reading	0	1
KS2 Writing	0	0.7
KS2 Maths	0	-0.10
Secondary		
Caludon Castle	0	0.14
Kingsbury	0	-0.13

*Unvalidated data

The combined outcomes for the trust in terms of attendance and exclusions are in line with national averages (for those schools who have been part of the trust for more than 2 years).

Behaviour and Attendance	Attendance	Persistent Absence	Exclusions
Primary			
Hill Farm Primary	95.8%	8.9%	0.2%
Secondary			
Caludon Castle	95.6%	9.5%	5.09%
Kingsbury	92.81%	15.07%	4.3%

External Evaluation

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

There is clear evidence that the outcomes for young people who are educated within the Castle Phoenix MAT are exceeding previous performance and national expectations. External evaluation 2016/17 confirms all schools are performing effectively.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Leadership and Management

Overall, Leadership and Management is good and making a difference to schools' performance. Each school now 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.

'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.

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 2016, the annual Trust learning and teaching conference launched the key teaching themes for the year ahead. Leaders from Hill Farm primary shared KS2 to KS3 maths and English challenges and expectations to inform better transition from year 6 to year 7. A trust wide 'teach meet' event took place in June 2017 enabling teachers from all schools within the trust to share good practice.

Aspects of teaching <i>Summer 2017</i>	Good or better	Requires Improvement	Cause for concern
Primary			
Hill Farm Primary	73%	27%	0%
Secondary			
Caludon Castle	94%	6%	0%
Kingsbury	65%	27%	8%

11 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. 9 of them subsequently were employed to work within the Trust as NQTs.

Six members of staff gained lead learning practitioner status which demonstrates excellence in their classrooms.

Supporting School Performance

There is 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 currently in the secondary phase 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 the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

next stage is to develop it 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 7 Specialist Leaders of Education (SLEs) based within the Trust academies who provide support across the Trust but also to schools beyond the Trust.

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. 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 2017
Primary		
Hill Farm Primary	708	634
Secondary		
Caludon Castle	1445	1522
Kingsbury	700	666
Total	2852	2822

There is an increasing trend in admissions in all schools

2016-17	Reserves £ As 1.9.2016	Income £	Expenditure £	Balance £
Primary				
Hill Farm Primary	1,246,856	2,914,396	2,623,943	1,537,309
Secondary				
Caludon Castle	3,072,573	9,229,367	8,980,486	3,321,454
Kingsbury	97,066	3,915,657	3,836,806	175,917
Total	4,416,495	16,059,420	15,441,235	5,034,680

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Building Development	Total Costs		Projects Completed
	2016/17	Est. Balance 2017/18	
Primary			
Hill Farm Primary	36,626.41	-	CIF Heating Project
Hill Farm Primary	4,520.78	-	CIF External Envelope Project
Hill Farm Primary	2,645.00		Bin Store relocation
Hill Farm Primary	16,691.75	11,012	Corridor & classroom refurbishment
Hill Farm Primary	27,680.24		Replacement fire & external doors
Hill Farm Primary	15,365.00		Emergency lighting & Signage
Hill Farm Primary	1,650.00		Storage Container
Secondary			
Caludon Castle	69,739	-	IT Infrastructure
Caludon Castle	5,495	117,480.32	Toilets refurbishment
Kingsbury	464,041.97	180,837.78	CIF Roof Replacement Project

Human Resources

Teacher turnover has reduced overall across the Trust. Support staff turnover has remained the same or has slightly increased. Turnover of casual staff and lunchtime supervisors has had an impact at Kingsbury and Hill Farm Primary. Support staff turnover at Caludon Castle is owing to relocation or change in career or promotions.

A Trust wide exit interview process was introduced this year. No major issues were raised at the end of the summer term.

No claims, employment tribunals or settlement agreements occurred.

14 policies were reviewed and updated in accordance with guidance, best practice and legislation.

A Wellbeing committee has been established at Caludon as a pilot for the Trust. Support staff performance management processes are in place at Caludon Castle with a view to extending across the Trust next year.

Areas of good practice and areas for improvement have been identified through teacher performance management audits within the secondary schools and will be extended throughout the Trust next year.

There is a pattern of reduced sickness absence across the Trust (below average for public sector) as a result of more cohesive strategies in place across the Trust for absence management.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Audits completed	Type	Date completed	Risk rating?
Primary			
Hill Farm Primary	Performance Management audit	Nov 2017	In progress
Hill Farm Primary	Responsible Officer Report	April 2017	3 Priority risks 4 weakness risks
Secondary			
Caludon Castle	Performance Management review	Nov 2016	No concerns
Caludon Castle	Responsible Officer Report	July 2017	3 recommendations
Kingsbury	Performance Management audit	June 2017	Recommendations have been actioned Sept 2017
Kingsbury	Responsible Officer Report	June 2017	2 recommendations

Public Benefit

The Board of Directors 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 Castle Phoenix Trust aims and objectives and in planning its future activities.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In the period under review, a surplus of £497,561 (2016: £151,818 excluding balances on conversion) was made and carried forward representing 3.6% (2016: 1.3%) of the GAG.

GAG received by Castle Phoenix Trust for the year 2016/17 was £13,725,074 (2016: £11,786,280). The carry forward was; £2,840,149 (2016: £2,678,775). Total funds (including restricted fixed assets) carried forward were £8,868,869 (2016: £8,371,308). Total pupil numbers for the year were 2,822 (2016: 2,798). Payroll costs as a percentage of total costs were 72.1% (2016: 73.2%). GAG per student for the year was £4,864 (2016: £4,212).

Going Concern

After making appropriate enquiries, the Board of Directors 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

Financial Review

Most of Castle Phoenix Trust's income is obtained from the DfE via the ESFA 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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. Included within cash reserves is an amount of £628,483 which is funding that has been received to be spent on capital items.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Investment Policy

Reserves Policy

The Board of Directors 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 Trustees have determined that the appropriate level of reserves should be two month's salary for each individual academy; £1.6m.

The cash reserves held as at 31 August 2017 are deemed reasonable by the Trustees for the following reasons: The Trust has carried out a four year budget plan and recognises that reserves will need to be used to maintain the current staffing levels, thereby maintaining the effective delivery of education. The increase in pension contributions and the apprenticeship levy will also impact significantly. The PFI utilities liability is held by the Trust and a contingency is available for expected rising costs. A significant amount received through the Condition Improvement Fund (CIF) for works carried out at Hill Farm, was overpaid and is still waiting to be claimed back. CIF bids have been submitted for two schools in the Trust incorporating drainage repairs, two boilers, heating infrastructure and external envelope works. The Trust will make a 15% contribution towards the costs. A contingency has been held should they not be successful as repairs will need to take place. The total of these costs is expected to be approximately £5,010,000.

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.

Investment Policy

The Board of Directors 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 ESFA. 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 initially reviewed in July 2016, by the Audit & 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.

The Board of Directors 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.

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.

ADDITIONAL COMPANIES ACT REQUIREMENTS

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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- for employee consultation – both establishments of the Multi Academy 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.

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 Board of Directors 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, approved by order of the Board of Trustees, as company directors, on 6 December 2017 and signed on the board's behalf by:



**M Friday
Chair of Board of Directors**

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

GOVERNANCE STATEMENT

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 Accounting Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Castle 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. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Friday, Chair	6	6
L Hancock (Vice Chair)	1	6
M Marr (CEO and Accounting Officer)	6	6
R Winters	4	6
H Reilly	4	6

Finance and Resources Committee

The purpose of the Finance and Resources Committee is set out on page 4 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 2016/17. 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	1	4
B Sedgebear	3	4
R Winters	2	4
K Healey	2	4

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

HR & Governance Committee

The purpose of the **HR & Governance Committee** is set out on page 4 of the Trustees Report. The HR & Governance Committee is also a sub-committee of the main Board of Directors.

The Committee formally met 3 times during the year 2016/17. Attendance during the year at meetings of the HR & Governance Committee was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Hancock (Chair)	3	3
R Liddle	3	3
E Over	3	3
L Bush (resigned 22/03/2017)	1	2
H Reilly	2	2
P Simpson (Vice Chair)	0	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 5 of the Trustees Report.

Caludon Castle Local Governing Body formally met five times during the year 2016/17. Attendance during the year at meetings of the Local Governing Body Committee was as follows:

Trustee	Meetings attended	Out of a possible
P Simpson (Chair)	3	5
B Sedgebear (Vice-Chair)	3	5
E Over	5	5
A Davoile	3	5
A Dhillon	3	5
K Docking (Associate)	3	5
A Courts	4	5
T Evans (resigned 06/10/2016)	0	1
L Campton	2	4
S Dunn	3	5
K Ireland	4	5
C Hubbard	2	4
A Underhill	4	4
M Fletcher	3	5
F Watts	1	3

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

Hill Farm Local Governing Body formally met five times during the year 2016/17. Attendance during the year at meetings of the Local Governing Body Committee was as follows:

Trustee	Meetings attended	Out of a possible
R Winters (Chair)	5	5
R Liddle (Vice Chair)	5	5
K Cleall	0	2
C Harrison	4	5
A Crawford	4	5
M Brown	4	4
K Syles	4	4
S Ahmed	0	1
L Leetch (Associate Staff Gov)	1	1

R Winters was reappointed on 5 October 2016

K Cleall resigned on 25 January 2017

S Ahmed was appointed 10 May 2017

M Brown was appointed on 18 January 2017

Kingsbury Local Governing Body formally met six times during the year 2016/17. 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

S Burley resigned 15 November 2017

S Leach appointed 18 January 2017

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:

- Implementation of a consistent finance system across the Trust to improve efficiency and promote consistency.
- Office 365 is being rolled out across the Trust to provide the ability to work from anywhere with internet connection. This enables working in teams across multiple locations. All users have access to the latest versions of office without having to reinstall versions on every PC.
- The Trust has initiated several ways to combat the increasing cost of recruitment. These include advertising vacancies and allowing applications through our website, Trust wide recruitment days and increased use of social media.
- We provide a Trust wide annual learning and teaching conference for all teaching staff and internally

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

GOVERNANCE STATEMENT (continued)

- deliver workshops which is a cost effective way of providing training across all of our schools.
- Trust wide training enables cost efficient use of external and common aspects such as GDPR awareness.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 2016 to 31 August 2017 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 has decided to appoint Bishop Fleming as internal assurance officer.

The internal assurance officer's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing on payroll systems
- review of risk register
- review of policies into practice i.e safer recruiting and safeguarding

On a quarterly basis, the internal assurance officer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

GOVERNANCE STATEMENT (continued)

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:

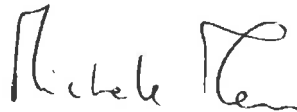
- the work of the internal assurance officer;
- the work of the external auditors;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 18.12.17 and signed on their behalf, by:



**M Friday
Chair of Trustees**



**M Marr
Accounting Officer**

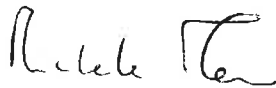
**CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Castle Phoenix Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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

6/12/2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Castle Phoenix Trust and 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 and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform 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: 6 December 2017

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

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

OPINION

We have audited the financial statements of Castle Phoenix Trust for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Multi Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Auditor's 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 Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of other 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

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 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' remunerations specified by law 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's 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

AUDITOR'S 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 Auditor's 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. The description forms part of our Auditor's report.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: *20 December 2017*

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

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

In accordance with the terms of our engagement letter dated 2 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The Accounting Officer 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 AUDITORS' ASSURANCE REPORT ON REGULARITY TO CASTLE PHOENIX TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: *20 December 2017*

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Balances transferred on conversion: Kingsbury School	2	-	-	-	-	4,666,118
Other donations and capital grants	2	-	176,336	369,354	545,690	1,121,812
Charitable activities	3	408,991	15,195,434	-	15,604,425	13,430,008
Other trading activities	4	275,967	-	-	275,967	107,794
Investments	5	2,692	-	-	2,692	6,477
TOTAL INCOME		687,650	15,371,770	369,354	16,428,774	19,332,209
EXPENDITURE ON:						
Charitable activities		230,839	15,869,396	214,978	16,315,213	12,684,273
TOTAL EXPENDITURE	6	230,839	15,869,396	214,978	16,315,213	12,684,273
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		456,811	(497,626)	154,376	113,561	6,647,936
Actuarial gains/(losses) on defined benefit pension schemes	23	-	384,000	-	384,000	(1,830,000)
NET MOVEMENT IN FUNDS		456,811	(113,626)	154,376	497,561	4,817,936
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,737,720	(2,196,225)	8,829,813	8,371,308	3,553,372
TOTAL FUNDS CARRIED FORWARD		2,194,531	(2,309,851)	8,984,189	8,868,869	8,371,308

The notes on pages 31 to 52 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		8,814,964		8,408,381
CURRENT ASSETS					
Debtors	15	550,051		1,448,467	
Cash at bank and in hand		6,532,010		5,167,453	
		<u>7,082,061</u>		<u>6,615,920</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,878,156)</u>		<u>(1,777,993)</u>	
NET CURRENT ASSETS			<u>5,203,905</u>		<u>4,837,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,018,869</u>		<u>13,246,308</u>
Defined benefit pension scheme liability	23		<u>(5,150,000)</u>		<u>(4,875,000)</u>
NET ASSETS			<u><u>8,868,869</u></u>		<u><u>8,371,308</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	2,840,149		2,678,775	
Fixed asset funds	18	8,984,189		8,829,813	
		<u>11,824,338</u>		<u>11,508,588</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(5,150,000)</u>		<u>(4,875,000)</u>	
Total restricted funds			<u>6,674,338</u>		<u>6,633,588</u>
Unrestricted funds	18		<u>2,194,531</u>		<u>1,737,720</u>
TOTAL FUNDS			<u><u>8,868,869</u></u>		<u><u>8,371,308</u></u>

The financial statements on pages 28 to 52 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



M Friday
Chair of Board of Directors

The notes on pages 31 to 52 form part of these financial statements.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,693,238	638,102
Cash flows from investing activities:			
Investment income		2,692	6,477
Purchase of tangible fixed assets		(621,561)	(1,028,153)
Capital grants from DfE/ESFA		290,188	984,379
Net cash used in investing activities		(328,681)	(37,297)
Change in cash and cash equivalents in the year		1,364,557	600,805
Cash and cash equivalents brought forward		5,167,453	4,566,648
Cash and cash equivalents carried forward	21	6,532,010	5,167,453

The notes on pages 31 to 52 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 2017

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 2016 to 2017 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 and include grants from the Department for Education.

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 2017**

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 2017**

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
Motor vehicles	-	over 10 years
Fixtures and fittings	-	over 5 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 2017**

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.

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 15. 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 2017

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 2017. 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 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Balances transferred on conversion: Kingsbury School	-	-	-	-	4,666,118
Donations	-	176,336	-	176,336	137,433
Capital Grants	-	-	369,354	369,354	984,379
	-	176,336	369,354	545,690	1,121,812
	-	176,336	369,354	545,690	5,787,930
<i>Total 2016</i>	-	(519,567)	6,307,497	5,787,930	

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	13,725,074	13,725,074	11,786,280
Other DfE/ESFA grants	-	731,085	731,085	851,965
	-	14,456,159	14,456,159	12,638,245
Other Government grants				
Other government grants non capital	-	206,937	206,937	180,117
	-	206,937	206,937	180,117
Other funding				
Internal catering income	131,411	-	131,411	57,667
Other	277,580	532,338	809,918	553,979
	408,991	532,338	941,329	611,646
	408,991	15,195,434	15,604,425	13,430,008
<i>Total 2016</i>	207,763	13,222,245	13,430,008	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Consultancy	68,919	-	68,919	28,352
Other	207,048	-	207,048	79,442
	275,967	-	275,967	107,794
<i>Total 2016</i>	107,794	-	107,794	

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	2,692	-	2,692	6,477
<i>Total 2016</i>	6,477	-	6,477	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	9,518,125	25,165	1,220,427	10,763,717	8,603,265
Support costs	2,245,385	669,794	2,636,317	5,551,496	4,081,008
	11,763,510	694,959	3,856,744	16,315,213	12,684,273
<i>Total 2016</i>	9,279,730	393,952	3,010,591	12,684,273	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	41,730	31,610
Educational supplies	288,528	185,513
Examination fees	214,757	188,419
Staff development	112,834	153,831
Other costs	284,675	204,849
Supply teachers	356,298	158,496
Technology costs	88,090	33,277
Wages and salaries	7,145,998	6,063,805
National insurance	693,079	525,615
Pension cost	1,322,750	927,922
Depreciation	214,978	129,928
	10,763,717	8,603,265
	12,684,273	

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Total 2017 £	Total 2016
Pension finance costs	65,270	77,390
Other costs	64,118	69,845
Recruitment and support	29,353	21,816
Maintenance of premises and equipment	499,543	145,020
Rent and rates	93,245	99,476
Energy costs	77,006	94,892
Insurance	3,466	24,068
Security and transport	31,067	7,028
Catering	108,703	95,690
Technology costs	124,729	130,900
Office overheads	71,415	79,096
Legal and professional	402,184	204,890
Service level agreements	442,238	236,250
PFI charge	1,253,949	1,170,920
Governance	39,825	19,835
Wages and salaries	1,569,283	1,238,363
National insurance	111,556	78,823
Pension cost	564,546	286,706
	<u>5,551,496</u>	<u>4,081,008</u>
<i>Total 2016</i>	<u>4,081,008</u>	

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	214,978	129,928
Auditors' remuneration - audit	18,300	15,050
Auditors' remuneration - other services	9,080	4,785
Operating lease rentals	<u>40,349</u>	<u>31,328</u>

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	8,711,541	7,295,269
Social security costs	804,635	604,438
Operating costs of defined benefit pension schemes	1,887,296	1,214,628
	<u>11,403,472</u>	<u>9,114,335</u>
Apprenticeship levy	3,740	-
Supply teacher costs	356,298	158,496
Staff restructuring costs	-	6,899
	<u>11,763,510</u>	<u>9,279,730</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	-	6,899

Included in staff restructuring costs are non-statutory severance payments totalling £NIL (2016: £6,899).

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

	2017 No.	2016 No.
Teaching Staff	159	161
Admin and teaching support	249	226
Strategic leadership	31	27
	<u>439</u>	<u>414</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teaching Staff	140	143
Admin and teaching support	124	122
Strategic leadership	29	27
	<u>293</u>	<u>292</u>

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1
In the band £110,000 - £120,000	1	0

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 as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £1,086,072 (2016: £926,167).

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 central services are provided by Caludon Castle School and not a separate central entity, therefore there is no separate allocation of Caludon's GAG for central services.

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

3.2% of GAG for each financial year.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Hill Farm Primary School	76,427	48,706
Kingsbury School	103,333	40,043
Total	179,760	88,749

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 £110,000 - £115,000 (2016: £100,000 - £105,000), Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £12,000).

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

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £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

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	8,461,192	26,285	123,046	82,634	8,693,157
Additions	520,885	26,770	4,167	69,739	621,561
At 31 August 2017	8,982,077	53,055	127,213	152,373	9,314,718
DEPRECIATION					
At 1 September 2016	241,573	3,723	21,235	18,245	284,776
Charge for the year	157,855	4,413	25,165	27,545	214,978
At 31 August 2017	399,428	8,136	46,400	45,790	499,754
NET BOOK VALUE					
At 31 August 2017	8,582,649	44,919	80,813	106,583	8,814,964
At 31 August 2016	8,219,619	22,562	101,811	64,389	8,408,381

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. DEBTORS

	2017 £	2016 £
Trade debtors	13,561	53,645
Other debtors	3,804	534
Prepayments and accrued income	209,611	652,322
VAT recoverable	323,075	741,966
	<u>550,051</u>	<u>1,448,467</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	972,935	1,004,500
Other taxation and social security	144,060	204,732
Other creditors	609,997	529,268
Accruals and deferred income	151,164	39,493
	<u>1,878,156</u>	<u>1,777,993</u>

	2017 £	2016 £
DEFERRED INCOME		
Resources deferred during the year	<u>36,487</u>	<u>-</u>

At the balance sheet date the Multi Academy Trust was holding funds received in advance for music lessons and trips due to run in the 2017/18 year.

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	6,428,730	5,167,453
Financial assets measured at amortised cost	524,691	1,448,467
	<u>6,953,421</u>	<u>6,615,920</u>
Financial liabilities measured at amortised cost	<u>(1,594,329)</u>	<u>(1,573,261)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand

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

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

CASTLE PHOENIX TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS					
General funds	1,737,720	687,650	(230,839)	-	2,194,531
RESTRICTED FUNDS					
General Annual Grant (GAG)	2,678,775	13,725,074	(13,563,700)	-	2,840,149
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)	-	-
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)
	(2,196,225)	15,371,770	(15,869,396)	384,000	(2,309,851)
RESTRICTED FIXED ASSET FUNDS					
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
	8,829,813	369,354	(214,978)	-	8,984,189
Total restricted funds	6,633,588	15,741,124	(16,084,374)	384,000	6,674,338
Total of funds	8,371,308	16,428,774	(16,315,213)	384,000	8,868,869

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS					
General funds	1,488,184	322,034	(72,498)	-	1,737,720
	1,488,184	322,034	(72,498)	-	1,737,720

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	1,731,157	11,786,280	(10,759,449)	-	2,678,775
Pupil Premium (PP)	-	593,281	(593,281)	-	-
Other ESFA grants	-	199,725	(199,725)	-	-
Other Government grants	-	183,144	(183,144)	-	-
Free School Meals (FSM)	-	58,959	(58,959)	-	-
Other restricted income	-	538,289	(538,289)	-	-
Pension reserve	(2,239,000)	(657,000)	(149,000)	(1,830,000)	(4,875,000)
	<u>(507,843)</u>	<u>12,702,678</u>	<u>(12,481,847)</u>	<u>(1,830,000)</u>	<u>(2,196,225)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	1,915,093	5,323,118	(80,722)	-	7,157,489
Fixed assets purchased from GAG	140,086	-	(44,910)	79,213	174,389
Devolved Formula Capital (DFC)	100,490	56,249	(4,296)	-	152,443
Condition Improvement Fund (CIF)	417,362	928,130	-	-	1,345,492
	<u>2,573,031</u>	<u>6,307,497</u>	<u>(129,928)</u>	<u>79,213</u>	<u>8,829,813</u>
Total restricted funds	<u>2,065,188</u>	<u>19,010,175</u>	<u>(12,611,775)</u>	<u>(1,750,787)</u>	<u>6,633,588</u>
Total of funds	<u>3,553,372</u>	<u>19,332,209</u>	<u>(12,684,273)</u>	<u>(1,750,787)</u>	<u>8,371,308</u>

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.

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

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 purchased out of restricted GAG funding.

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

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 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Caludon Castle School	3,321,454	3,072,573
Hill Farm Primary School	1,537,309	1,246,856
Kingsbury School	175,917	97,066
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	5,034,680	4,416,495
Restricted fixed asset fund	8,984,189	8,829,813
Pension reserve	(5,150,000)	(4,875,000)
	<hr/>	<hr/>
Total	8,868,869	8,371,308
	<hr/>	<hr/>

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 2017 £	Total 2016 £
Caludon Castle School	4,604,337	1,537,425	157,482	2,681,242	8,980,486	8,439,159
Hill Farm Primary School	1,188,935	781,036	88,909	565,063	2,623,943	2,434,279
Kingsbury School	2,003,407	1,096,370	42,137	694,892	3,836,806	1,531,907
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,796,679	3,414,831	288,528	3,941,197	15,441,235	12,405,345
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
Pension scheme liability	-	(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>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	8,408,381	8,408,381
Current assets	1,745,244	4,086,559	784,117	6,615,920
Creditors due within one year	(7,524)	(1,407,784)	(362,685)	(1,777,993)
Provisions for liabilities and charges	-	(4,875,000)	-	(4,875,000)
	<u>1,737,720</u>	<u>(2,196,225)</u>	<u>8,829,813</u>	<u>8,371,308</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	113,561	6,647,936
Adjustment for:		
Depreciation charges	214,978	129,928
Interest received	(2,692)	(6,477)
Decrease/(increase) in debtors	898,416	(1,214,669)
Increase in creditors	100,163	582,881
Capital grants from DfE and other capital income	(290,188)	(984,379)
Defined benefit pension scheme cost less contributions payable	552,000	(47,000)
Defined benefit pension scheme finance cost	107,000	196,000
Net assets transferred on joining	-	(4,666,118)
Net cash provided by operating activities	<u>1,693,238</u>	<u>638,102</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	6,532,010	5,167,453
	<u>6,532,010</u>	<u>5,167,453</u>

22. CAPITAL COMMITMENTS

At 31 August 2017 the Multi Academy Trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	291,018	-
	<u>291,018</u>	<u>-</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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £978,611.(2016: 830,165).

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).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £441,000 (2016: £559,000), of which employer's contributions totalled £319,000.(2016: £442,000) and employees' contributions totalled £122,000 (2016: £117,000). The agreed contribution rates for future years are 21.3% for employers and 5.5 - 9.9% 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:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.75 %
Rate of increase for pensions in payment / inflation	2.70 %	2.00 %

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

	2017	2016
Retiring today		
Males	21.8	23.1
Females	24.3	25.8
Retiring in 20 years		
Males	24.0	25.3
Females	26.6	28.1

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

Warwickshire County Council Pension Fund (Kingsbury School)

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

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.00 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.4
Females	24.7	24.4
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.6

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,585,000	1,751,000
Government Bonds	206,000	153,000
Other bonds	379,000	-
Property	342,000	251,000
Cash	165,000	149,000
Derivatives	-	345,000
Other	374,000	238,000
Total market value of assets	4,051,000	2,887,000

The actual return on scheme assets was £689,000 (2016: £547,000).

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

	2017 £	2016 £
Current service cost	(729,000)	(482,000)
Past service cost	(143,812)	-
Interest income	66,000	87,000
Interest cost	(173,000)	(196,000)
Total	(979,812)	(591,000)

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	7,761,000	3,746,000
Current service cost	729,000	482,000
Interest cost	173,000	196,000
Employee contributions	122,000	117,000
Actuarial losses	255,000	2,164,000
Benefits paid	18,000	(30,000)
Past service costs	142,000	-
Liability transferred on conversion	-	1,086,000
	<u>9,200,000</u>	<u>7,761,000</u>
Closing defined benefit obligation	<u>9,200,000</u>	<u>7,761,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,886,000	1,507,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	87,000
Interest income	67,000	-
Actuarial losses	639,000	334,000
Employer contributions	319,000	442,000
Employee contributions	122,000	117,000
Administration expenses	(1,000)	-
Asset transferred on conversion	-	429,000
Benefits paid	18,000	(30,000)
	<u>4,050,000</u>	<u>2,886,000</u>
Closing fair value of scheme assets	<u>4,050,000</u>	<u>2,886,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	39,578	45,362
Between 1 and 5 years	20,540	60,118
Total	<u>60,118</u>	<u>105,480</u>

There is a contract with the PFI 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 2017 the Trust paid £1,253,949 (2016: £1,170,920).

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 ESFA as Project Director in the Free School's capital team. All transactions with the ESFA have been conducted on an arms length basis. Trustees' remuneration and expenses have already been disclosed in note 12.

26. 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.

27. 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.

28. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 Bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the Academy Trust received £34,566 and disbursed £18,343 from the fund. An amount of £18,325 was brought forwards from the prior year, and £34,548 is included in other creditors relating to undistributed funds that is repayable to ESFA.