

**CASTLE PHOENIX TRUST
(FORMERLY KNOWN AS CALUDON CASTLE SCHOOL)
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 14
Governance statement	15 - 27
Statement on regularity, propriety and compliance	28
Trustees' responsibilities statement	29
Independent auditors' report	30 - 31
Independent auditors' assurance report on regularity	32 - 33
Statement of financial activities	34
Balance sheet	35
Cash flow statement	36
Notes to the financial statements	37 - 54

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Trustees	M Friday, Chair (appointed 1 February 2013) ^{1,2} W Taylor-Dowson (appointed 1 February 2013) ^{1,2} C Saunders, Vice Chair (appointed 1 February 2013) ^{1,3,4} L Hancock (appointed 1 February 2013) ^{1,3} P Simpson (appointed 1 February 2013) ^{1,3} I Boyce (appointed 1 February 2013) ^{1,2,4} M Marr, Head Teacher (appointed 1 February 2013) ¹ D Borgeat (appointed 1 February 2013) ⁴ A Brown (appointed 1 February 2013) ⁴ A Davoile, Staff Trustee (appointed 1 February 2013) ⁴ S Dixon (appointed 1 February 2013, resigned 1 September 2013) M Hudson (appointed 1 February 2013, resigned 1 September 2013) C Miks (appointed 1 February 2013, resigned 1 September 2013) E Over, Staff Trustee (appointed 1 February 2013) ^{3,4} B Sedgebear (appointed 1 February 2013) ^{2,4} M Webster # (appointed 1 February 2013) D Whittle (appointed 1 February 2013) ⁴
-----------------	--

¹ Board of Directors

² Finance and Resources Committee

³ HR and Governance

⁴ Local Governing Body Committee

Member only

Company registered number	08331385
Principal and registered office	Castle Phoenix Trust Axholme Road Wyken Coventry CV2 5BD
Company secretary	H Harrison
Chief executive officer	M Marr
Independent auditors	Bishop Fleming Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank 30 High Street Coventry West Midlands CV1 5RA
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

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

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy was incorporated on 19 December 2012 and opened as an Academy on 1 February 2013. The academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy.

The Trustees act as the Trustees for the charitable activities of Castle Phoenix Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the academy'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 the academy, 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 the academy. The limit of this indemnity is £25,000,000.

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.

Principal Activity

The principal activity is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a secondary school offering a broad and balanced curriculum.

The principle activity of the Academy is to provide free education for pupils of different abilities between the ages of 11 - 18.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 February 2013 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

From the 1 February 2013 to 31 August 2013 the Academy's Board of Governors comprised the Headteacher, a minimum of 2 Parent Governors, up to 2 Staff Governors (providing that the total number of Governors, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Governors) and up to 7 Community Governors.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Parent Trustees who are elected by parents of registered pupils at the Academy;
- up to 2 staff Trustees appointed by the Governing Body;
- up to 7 Community Trustees who are appointed by the board;
- the Headteacher 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 Academy Trust (including the Head Teacher).

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

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees 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 are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Organisational Structure

The Board of Directors will meet four times a year. The Board establishes an overall framework for the governance of the Academy 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.

There are 3 committees as follows;

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

- Setting the standards for the delivery of all financial and business support services across the federation 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 federation 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.

The core functions of the Committee are:

- **Finance:**
Reviewing and recommending to the Board of Directors the budget strategy for the coming year.
Monitoring the Trust's performance against budget and alert the Board of Directors to any significant variances.
Ensuring that the Trust's assets are protected by the maintenance of adequate insurance cover.
Keeping the bank mandate and banking provision under review.
Reviewing and recommending treasury management policy to the Board of Directors.
Maintaining the stability of the Trust's financial position by monitoring the cash flow and ensuring the effectiveness of financial controls.
- **Procurement and Value for Money:**
Developing and agreeing the Trust's strategies for procurement and value for money.
Agreeing procurement policies in relation to pre-tender, tender, and post tender processes.
Monitoring compliance in relation to procurement and measure the effectiveness of procurement processes and other efficiency measures in delivering value for money.
- **Communications:**
Developing and agreeing the Trust's strategies for information technology, internal communications and public relations.
Considering and agreeing any capital investments in IT ensuring that there is a robust business case which demonstrates value for money and a clear project management structure.
Reviewing the Trust's business continuity plan, risk management and disaster recovery arrangements.
- **Health and Safety:**
Developing and recommending to the Board of Directors the Trust's statutory health and safety policy.
Establishing and monitoring the implementation of the Trust's health and safety framework.
Ensuring that the Trust is meeting its statutory obligations concerning health and safety.
Nominating a member of the committee to be the health and safety champion for the federation who will play an active advisory role to support the executive management team in their leadership of staff health and safety forums; ensuring that the processes designed to support directors in discharging their health and safety duties are robust and implemented effectively.
- **Facilities Management:**
Ensuring that the Trust is accommodated, equipped and administered to provide efficient, effective and economic services.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

HR & Governance Committee - this meets at least four 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 executive principal and other members of the senior management 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 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.

The core functions of the Committee are:

- **Human Resources - General**
Developing and recommending to the Board of Directors for approval, the Trust's strategies for employment and organisational development.
Recommending to the Board of Directors any changes to the staffing establishment which are outside budget or may result in redundancies.
Keeping the federation's pension arrangements under review and making recommendations on any changes or key issues to the Board of Directors.
Overseeing the establishment of, and keeping under review, formal and informal arrangements for negotiation and consultation with staff and trade unions.
Agreeing terms and conditions of service for staff.
Staff Remuneration:
Establishing and keeping under review a job evaluation scheme.
Developing and recommending remuneration strategy and 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 teaching and support staff to deliver the Trust's mission and meet the strategic plan objectives.
Considering and recommending to the Board of Directors the proposed annual pay
Review for staff; taking into account agreed strategy and policy, local and national circumstances, and taking professional advice as required.
Reviewing and recommending the salary reviews of the executive headteacher and other members of the executive management team to the Board of Directors having taken external advice on market salaries and benefits and having regard to contractual terms.
Reviewing and recommending to the Board of Directors the form and content of contracts for the executive headteacher and other members of the executive management team.
- **Performance:**
Establishing performance management/review schemes for staff to reflect the Operational needs of the federation.
Overseeing a process for the regular appraisal of performance and effectiveness of the executive headteacher and other members of the executive management team, ensuring that the necessary assurances and outcome reports are presented to the Board of Directors and action plans developed to address any improvements required.
Establishing a panel for the appraisal of the executive headteacher.
- **Equality, Diversity and Inclusion:**
Developing and recommending to the Board of Directors, the Trust's strategy for equality, diversity and inclusion.
Ensuring that the Trust is meeting its statutory and regulatory obligations concerning equality, diversity and inclusion and is actively developing structures, services, and policies which are responsive to the needs of individuals, groups and communities and free from discrimination.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

- **Board and Committee Membership:**
Reviewing and recommending the membership of the Board of Directors, the local governing bodies and federation-wide committees taking into account their terms of reference and seeking to ensure that there is an appropriate balance of skills, knowledge, experience and competencies on each body, enabling them to properly fulfil their purpose and exercise their core functions.
Overseeing the implementation of director, governor and other committee member recruitment and selection processes across the federation.
Board and Committee Member Skills, Performance and Development:
Carrying out regular skills audits and maintaining up to date succession plans for directors, governors and other committee members taking account of the challenges and opportunities facing the federation and the balance of skills, knowledge and experience required on the Board of Directors, the local governing bodies and the federation-wide committees.
Overseeing a process for the regular appraisal of performance and effectiveness of the Board of Directors, local governing bodies and federation-wide committees and individual directors, governors and other committee members, ensuring that outcome reports are presented to the Board of Directors and action plans developed to address any improvements required.
Reviewing annually the commitment of all directors, governors and other committee members ensuring that attendance and contribution is consistent with the proper exercising of their roles and responsibilities.
Developing and overseeing the implementation of a governance development programme which addresses issues identified in collective and individual appraisals as well as emerging priorities such as changes in services, legislation or regulation, or new business.
Developing and overseeing the implementation of an induction programme for new directors, governors and other committee members.
- **Non-Executive Remuneration and Expenses:**
Keeping the issue of non-executive director and governor remuneration under review within the context of developing trends in the sector, charity law and regulation, and issues relating to the recruitment of directors, governors and committee members.
Reviewing and recommending to the Board of Directors any proposals for payment of nonexecutive directors for services within the parameters of the articles of association.
Reviewing the expenses policy for directors, governors and other committee members.

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

- Ensuring all students within the 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 plans ensuring that it is delivering against agreed strategic and local objectives; moving the academy and federation as a whole towards achieving and sustaining a regulatory judgement of outstanding in all areas.
- To ensure that the academic and wellbeing needs of federation 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 federation's collective published admission number (PAN) is full.

The core functions of the Committee are:

- **Governance:**
To promote high expectations for standards and student outcomes.
Drive continuous improvement and ensuring rigorous processes of personalised target setting.
Ensure consistency, diversity and inclusion within the federation through implementation of the Trust's strategies, policies and procedures.
Review annually and recommend for the consideration of the Board of Directors any amendments to the local governing body's agreed terms of reference.
Ensure the academy and federation complies with the requirement for every learner to receive any statutory curriculum content in accordance with government directives for academies.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

In conjunction with the Director of Finance, ensure governors are kept up to date about the national educational and regulatory developments affecting the Trust's approved curriculum and pedagogy; ensuring that changes are built into strategic planning and monitoring processes and reported to the Board of Directors and the Finance & Resources Committee to inform strategic decision making.

In conjunction with the Director of Finance, review relevant policies in line with the policy review schedule and make appropriate recommendations for change to the Board of Directors, monitoring the effectiveness of implementation and level of congruence between policy and practice particularly in relation to; the behaviour policy and all strategies relating to behaviour, social and emotional aspects of learning (SEAL), sanctions and rewards, diversity and inclusion and robustly challenge any discrimination against learners on the grounds of gender (including gender reassignment), race disability, sexual orientation, religion and belief, marital/civil partnership status or age where applicable.

Ensure all statutory assessments, including the administration and invigilation of exams, are conducted effectively in line with the Trust's policy and adhere to examining body criteria/specifications, seeking assurances that all results have been forwarded in a timely manner to students, parent/carers and the appropriate bodies.

Liaising with the Board of Directors to consider and respond as appropriate to Ofsted's regulatory judgements and reporting.

- **Strategic Planning:**

Contribute to the development of the Trust's long term strategic plan; ensuring that the academy is working towards the shared mission and vision through overseeing the development, implementation and monitoring of the Academy's development/improvement plans; delivering against strategic objectives, targets and key performance indicators in relation to its remit.

In conjunction with the Director of Finance, ensure that the local governing body's agenda planning enables effective scrutiny of data and reporting which focuses activity upon the strategic and local priorities identified for the forthcoming year.

Recommend an annual attendance target for students for the approval of the Board of Directors, ensuring that proper procedures are in place for recording absence of students and the impact of any follow up action taken.

Recommend the annual student performance targets for the approval of the Board of Directors.

Liaising with the Board of Directors and its committees as required and considering any matters which are outside the strategy but which may contribute to the longer term sustainability and viability of the federation.

- **Performance Review:**

Conducting in-depth scrutiny of data and the reporting of standards, examination results, assessments and progress in order to ensure accountability.

Carrying out regular reviews of student progress and attainment data to ensure performance and outcomes are in line with agreed objectives, targets and indicators.

Tracking and monitoring of students' progress and the assessing the impact of interventions where progress is low.

Ensuring, measuring and benchmarking quality assurance and evaluation processes to drive continuous improvement and secure high levels of student attainment and achievement.

- **Education Provision and Service Delivery:**

Monitoring the implementation of federation standards to ensure the delivery of a high quality of education provision and services for students of the academy and keeping them under review.

Ensuring the provision of a broad and well balanced curriculum, assessing its impact upon student learning and encouraging innovative teaching practice to achieve consistently good or better teaching standards.

Ensuring a high quality of careers information, advice, guidance & support (CIAGS) so that students' interests and abilities are matched to appropriate pathways in order for them to achieve the best possible outcomes.

Overseeing the quality of learning, progress and attainment for students with special educational needs and/or disabilities (SEND) and other identified vulnerable groups including: gifted and talented; black and other minority ethnic; travellers; looked after children; free school meals.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

- **Stakeholder Engagement:**
Promoting the Trust's strategy for involving stakeholders and outward facing student activity.
Ensuring that the academy sufficiently engages with a cross section of groups to secure its full published admission number (PAN) and enable strategies, policies and standards to be set, and decisions to be made, which properly take into account the perspective of key stakeholder groups.
- **General:**
Recommending for audit & risk committee consideration and approval by the Board of Directors, any changes to policies and ratification of decisions on all matters that might create significant financial or other risk to the federation or any academy or which raise material issues of principle.
In conjunction with the Director of Finance, designate a panel to hear formal complaints about areas falling under the committee's remit (i.e. curriculum, teaching and learning / behaviour or wellbeing of students) according to school policy and DfE guidance (where appropriate).
In conjunction with the Director of Finance, designate a panel to hear any appeal to lift or change the statutory requirements for a child.
- The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher.
The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team (SLT) consists of the Headteacher, Senior Deputy Headteacher, and three Deputy Head's. The Leadership Team includes SLT and an additional Senior Assistant Head, four Assistant Headteachers, and the Director of Finances. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Director of Finances and Finance, & Resources Committee 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 Headteacher is responsible for the appointment of staff.

The Headteacher is the Accounting Officer.

Risk management

The Trustees will assess the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Trustees have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy reviews the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A draft Risk Register has been drawn up to be reviewed/agreed by the Finance & Resource Committee.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Connected Organisations, including Related Party Relationships

Caludon Castle School was rebuilt in 2008 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;
- ALM - 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 the Academy.

There are no related parties which either control or significantly influence the decisions and operations of Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The Academies priorities for 2012/13 were:

- Effectively track student progress and provide timely intervention for the most vulnerable students to ensure their progress is at least good. To close the attainment gap for FSM, LAC, SEND and I Factor 4 stars.
- Improve the performance of the most able and gifted so that their attainment is at least 3% above national expectations and progress is at least good for this group of students.
- Review and change the school curriculum to meet the needs of the most able. Provide increased opportunities for students to develop skills for learning: independently, inter-independently, creatively, innovatively, and confidently. Consider learning beyond the classroom.
- Ensuring that teaching within faculties remains outstanding by increasing the number of outstanding lessons and further improving the quality of questioning, collaborative learning, marking for improvement (verbal and written formative assessment) and reflection and review of learning.
- Actively engage students as learning researchers and further promote student voice through faculty ambassador roles, schools councils and other student voice groups. Provide increased opportunities for students to present to an audience so they can improve their communication skills.
- Set high standards for student literacy skills so that the majority of students are working at level 5 or above. Provide appropriate professional development and structured intervention if students start to fall behind.

Caludon Castle School strives to ensure that students are motivated and independent learners through the provision of a wide range of learning choices to extend their learning.

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

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

Objectives, Strategies and Activities

Key improvement strategies are set out in the School Strategic Plan 2012/13 to 2014/15. The strategies are:

- Provision of a structured CPD programme to train staff towards consistently outstanding practice with a focus on collaborative learning, reflecting /reviewing the learning, and advanced questioning.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

- To involve students as learning researchers and introduce a faculty quality mark for learning and an award for a lead learning faculty.
- Create a Learning Beyond the Classroom group to develop ideas and lead on the initiative in faculties. This will include working with external agencies, partner primary schools and the OB2L cluster to create Art and Technology projects to be professionally displayed at school. In addition to encourage greater use of Coventry's facilities and local businesses.
- Development of an attendance team fully trained and directed to work with targeted students.
- Development of the family link worker and the inclusion team and further promote the inclusive classroom.
- Redefine the criteria for identifying the most able and gifted and talented students leading to introducing additional learning time and opportunities inside and outside the classroom.
- Cross phase professional development, planning and teaching with local primary schools and share use and understanding of data and assessment systems. To share and structure support for targeted students and vulnerable and disadvantaged students and families.
- Increase the number of graduate additional adults to act as learning facilitators/progress mentors.
- Review the curriculum for Humanities increasing guided support.
- To set aspirational targets for all students and facilitate early intervention for students where necessary. To increase enrichment and learning opportunities and develop literacy across the school.
- To enrol Post 16 students on appropriate courses; increasing the range of level 2 and 3 qualifications. Provide support to achieve their targets and continue to ensure no NEETS.

Public Benefit

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

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The Academy is in its first year of operation and continues to be oversubscribed. The total number of students at conversion on the 1 February 2013 was 1507.

Overall, standards are above the national average.

60% of students attained at least 5 GCSE (or equivalent) qualifications including English and Maths at grade C or above. However, this is a significant decrease from last year. This was due to a drop in the number of students who gained a grade C in English. 98.4% attained at least 5 GCSE (or equivalent) qualifications at C or above. 73.5% of students gained at least grade C in Maths. 65% of students gained at least grade C in English which was down 20% for results compared to last year.

The gap in attainment (A*-C) between those on FSM and those not on FSM has remained the same as last year although attainment is lower than last year.

The gap in attainment (A*-C) between SEND and non SEND has widened this year.

The capped APS for our students is still amongst the highest in the city. This demonstrates high value added.

In English, students making 3 or more levels of progress is 62.5% and likely to be in line with national averages. Progress for FSM students has slightly improved in English.

In Maths, students' making 3 or more levels of progress is 70.7% and is likely to be above the national average. Progress for FSM students has improved in Maths.

Seven students (3% of cohort) were not educated at our school and most had not been at our school for several years. These students did not perform as well as students attending our school.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

99.7% of students achieved A2 and AS grades A-E.

48.2% of students gained 3 or more GCSE (or equivalent) A grades which is 5% less than last year but above the national average.

24.1% exam entries at Caludon Castle were awarded an A* or A (nationally this is 21.3%) (GCSE only).

The percentage of students who attained 4 or more levels of progress in English and Maths increased from last year.

The following GCSE subjects attained A*/A grades above the national average in their subject - Maths (21%), Chemistry (50.8%) Physics (55.6%) Statistics (31.3%), Graphics (19%) Media (17.2%) Philosophy (66.7%) and Sociology (32.7%).

At A level we maintained the percentage of A*/B grades (41%) and maintained positive value added. Standards in AS levels are better than the previous year. 41% attained A*/B grades compared to 29% last year.

We rebranded our able, gifted and challenging students as AIM (Able and Inspired Minds). The targets below are now evident in school:

- To define clearly the different elements of the AIM cohort.
- To ensure that identification procedures are as wide ranging as possible on entry and regularly under review.
- To develop a team of staff with a specific focus, to include a strategy group.
- To celebrate success and create positivity around achievement and create an aspirational environment for all.

Staff know who are the most high attaining students as shown on all data sheets, they are more focussed now on planning to meet their needs and there are representatives within each faculty to champion their provision and to monitor their progress. With appropriate support and challenge, students with potential did succeed, regardless of socio-economic obstacles. Well differentiated teaching and effective extension activities secured engagement, progress and achievement for the most able, regardless of class grouping.

The whole school learning environment is focussed on AIM. More trips including 'grab a bag' lesson took place with the focus to enrich the most able students' experiences.

The focus for the school year was on developing 'curiosity'. Staff have continued to develop their questioning skills and have also begun to embed strategies for collaborative learning. Following developmental learning walks and judgemental observations the quality of learning and teaching remains outstanding. There is evidence of more outstanding teaching in Maths, MFL, PSD and Technology. This has led to improved outcomes for students as evidenced by examination results.

2011-2012	2012-2013	Key
Grade 1: 40%	Grade 1: 46%	Grade 1: Outstanding
Grade 2: 54%	Grade 2: 52%	Grade 2: Good
Grade 3: 5.5%	Grade 3: 1.6%	Grade 3: Requires improvement

Maths and MFL have been credited as Lead learning Faculties by an external lead Ofsted inspector. There are lead learning practitioners in ICT, Maths and English. Collaborative learning has impacted on student learning so that students' enjoyment and engagement in lessons has increased (Coventry Young People survey May 2013). All faculties are clear about how to improve the learning environment so that it impacts on student learning. There is a very strong focus on the 'how' of learning. Maths and MFL have created two learning spaces to facilitate collaborative learning. Marking for improvement continues to develop and all faculties have created MFL handbooks to exemplify expectations and provide guidance for effective feedback to students. Quality assurance through work review involving students demonstrates that the majority of students know their target grades and what they have to do to reach their target grades.

Most faculties now have student ambassadors. Student leadership is clearly evident as shown through the student leadership showcase to governors in July. All year 12 students take part in enrichment activities to

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

support within and outside school. Increasingly students are contributing to anti bullying strategies, energy efficiency, STEM development, literacy, news reporting, contributing to charity. There are limited number of students formally focusing on developing learning within faculties. Students now are expected to speak at end of year award evenings and in assemblies.

Literacy sound bites have been delivered to all staff since Jan 2013. All staff are expected to implement the given strategies immediately following the training. A SALAD which involved students not using a pen for the day and focusing on speaking and listening was a great success with students. They expressed that they felt they learnt more and had to really think about communicating effectively. The Accelerated reader programme was introduced to year 7 for the first time this year. Books were graded according to reading age and as a result of increased reading and monitoring of student understanding of what they have read, most students have improved their reading ages. 71% of Year 7 students increased their reading age by a year over a 6 month period.

The CNECT Arts 2013 project used books to inspire artwork. Our feeder primary schools worked collaboratively to enhance children's love of reading and build their confidence. This resulted in increased collaboration for transition literacy.

During the financial year 2012/2013, the Academy's charity fundraising activities raised a total of £2,085. This benefitted the following charities:

Teenage Cancer Trust	£251
Zoe's Place Trust	£143
Red Nose Day/ Comic Relief	£1,433
Brain Tumour UK	£232
The Myton Hospice	£27

Going Concern

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

FINANCIAL REVIEW

Financial Review

Caludon Castle was Local Authority funded through Coventry City Council up to the 31 January 2013. The LA carry forward at conversion date of 1 February 2013 was £1,149,188 and was transferred as Unrestricted Funds.

The GAG and LACSEG received from the EFA of £4,703,076, was calculated on 212 open days to the end of the financial year 31 August 2013. As funding is based on student numbers this is also a key performance indicator. The January 2011/2012 census was used; 1,506 students of which 283 were years 12 and 13.

Total budget available to allocate £5,787,190

	ALLOCATION	%
Staffing	£3,536,759	61.11%
Curriculum	£416,828	7.20%
Premises	£178,017	3.08%
Establishment	£1,655,586	28.61%
TOTALS	£5,787,190	100.00%

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion.

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

All financial policies will be reviewed by the Finance & Resources Committee following the conversion to a Multi Academy Trust in September 2013. Governors have requested quotes for a Responsible Officer to also be considered for September 2013.

Financial and Risk Management Objectives and Policies

A draft Risk Register will be considered by the Finance & Resources Committee. This includes the financial risks to the Academy. The register will be reviewed in light of any new information and formally reviewed annually.

The Trustees assessed the major risks to which the Academy would be exposed to when considering the Academy conversion; in particular those relating to its finances, teaching, facilities and PFI risks.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, 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 Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Finance Committee meetings.

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

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

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year the Academy's incoming resources was 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 the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

Safeguarding and child protection - the Trustees 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 the Academy is reliant on the quality of its staff and so the Trustees 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 - The Academy will appoint a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff are aware of financial practice requirements and develop their skills in this area as necessary.

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

**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

Reserves and Investment Policy

Trustees will consider a reserves policy and an investment policy through the Finance & Resources Committee.

PLANS FOR FUTURE PERIODS

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

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Due to our success in working with other schools, the Academy has started to sponsor Hill Farm Primary school from 1 September 2013. The start-up grant was received during the 2012/2013 financial year; 1 August 2013.

The Academy has been designated as a teaching school with effect from 1 September 2013 and received funding for its operations during the financial year 2012/13; 22 March 2013.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

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

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

Approved by order of the Board of Trustees on 11 December 2013 and signed on its behalf by:


**M Friday
Chair of Trustees**

**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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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. When Caludon Castle School converted to an Academy on the 1 February 2013 Governors during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Friday, Chair	3	3
W Taylor-Dowson	2	2
C Saunders, Vice Chair	3	4
L Hancock	3	3
P Simpson	3	3
I Boyce	2	2
M Marr, Head Teacher	3	3
D Borgeat	3	3
A Brown	4	4
A Davoile, Staff Trustee	3	3
S Dixon	1	2
M Hudson	3	4
C Miks	2	2
E Over, Staff Trustee	2	3
B Sedgebear	2	2
M Webster #	3	4
D Whittle	2	2

Member only

On the 19 August 2013 the name change was registered at Companies House from Caludon Castle School to Castle Phoenix Trust. The Trust sponsored Hill Farm Primary School from 1 September 2013. The Governors composition changed as follows:

Members

M Friday
M Webster
C Saunders
L Hancock
M Hudson (resigned 01.09.2013)

Board of Directors

M Friday (Chair)
W Taylor-Dowson (Vice Chair)
C Saunders
L Hancock
P Simpson
I Boyce
M Marr (CEO and Accounting Officer)

GOVERNANCE STATEMENT (continued)

The Board of Directors first meeting took place on 13 November 2013 as a Multi Academy Trust.

TERMS OF REFERENCE: BOARD OF DIRECTORS

Agreed by the Board 03.07.2013

1. Overall Purpose

1.1 The overall purpose of the Board of Directors is:

- To determine the vision for the Trust and ensure that its achievement underpins all strategic planning and decision making.
- To develop the values of the Trust and ensure that they underpin all decision making.
- To develop, agree, implement and monitor all the Trust's strategies and policies for the achievement of the vision.
- To develop, review and take ownership of the Trust's strategic plan, incorporating the academies' financial plans, and monitor its implementation.
- To ensure that all schools within the MAT attain high standards and demonstrate at least good progress against national indicators.
- To ensure that the Trust keeps within legal obligations and complies with all necessary regulatory requirements.
- To agree and oversee the implementation of a strategy for the development of the federation.
- To maintain overall control and consistency of approach across the federation through:
 - strong governance arrangements
 - clear and appropriate levels of delegated authority
 - unified frameworks for strategic planning, risk management, policy making and performance review

2. Size and Composition

- 2.1 The articles state that there shall be a minimum of three directors; there is no maximum number.
- 2.2 The Trust has agreed that it will appoint directors with the aim of ensuring that there is an effective balance of essential and desirable skills, knowledge and experience amongst the collective membership of the board. Directors will be appointed in line with the Board and Committee Membership Policy.
- 2.3 Without fettering its capacity to ensure that it has the necessary skills, knowledge and experience on amongst the board's membership, the Trust aims to have a board of between 10 and 12 directors for optimum effectiveness in debate and decision making.
- 2.4 Amongst the directors appointed there will be (Articles 46 and 46a):
- Up to three member appointed directors
 - The executive headteacher
 - Any number of directors co-opted by the board
- 2.5 As long as the Trust ensures that there is a minimum of two parent governors on each local governing body there is no requirement for parent directors. If this minimum requirement is not achieved then the Trust must appoint at least two parent directors (Article 53).
- 2.6 There is a requirement that local authority persons may not form 20% or more of the Board of Directors (Article 140).
- 2.7 The Board of Directors will be supported by the Director of Finance. The lead member of staff will be the executive headteacher but other members of the executive management team will be in attendance unless otherwise directed by the chair of directors.

3. Frequency of meetings

- 3.1 There shall be at least three meetings in every school year (Article 109). The Trust has agreed that it will usually hold four meetings of the Board of Directors a year.
- 3.2 Additional ad hoc meetings may be arranged to deal with identified significant issues.

4. Quorum and Voting

- 4.1 The quorum shall be any three directors, or, where greater, any one third (rounded up to a whole number) of the total number of directors holding office at the date of the meeting (Article 117).
- 4.2 If the number of directors falls below the required quorum, the remaining directors may act only for the purpose of filling vacancies or of calling a general meeting of the members (Article 118).
- 4.3 For the following specific matters the quorum shall be any two thirds (rounded up to a whole number) of the total number of directors entitled to vote on: appointing a parent director; voting to remove a director; or voting to remove the chair of the directors (Article 119).
- 4.4 Every matter which requires a decision at a meeting of the directors shall be determined by a majority of

GOVERNANCE STATEMENT (continued)

the votes of the directors present and voting on the question. Every Director shall have one vote (Article 120).

5. Core Functions

Reserved matters which cannot be delegated are denoted (R)

5.1 Governance

- (a) Annually electing a chair of directors (who shall be independent of the local governing bodies) and a vice chair of directors. (R)
- (b) Approving any changes to governance structures including the size and composition of the Board of Directors, local governing bodies and other committees. (R)
- (c) Ensuring adequate succession planning for all directors, governors and other committee members across the federation and in particular the chair of directors. (R)
- (d) Agreeing the terms of reference of the Board of Directors. (R)
- (e) Appointing suitable directors ensuring that the board has the skills, knowledge and experience amongst the collective membership to fulfil its role and responsibilities. (R)
- (f) Establishing and delegating to a local governing body for each academy; agreeing the terms of reference and appointing governors to its membership including post holders for all positions of office. (R)
- (g) Establishing and delegating to properly constituted federation-wide committees, agreeing their terms of reference and appointing their memberships including post holders for all positions of office. (R)
- (h) Establishing and delegating to panels or time limited working groups; agreeing their terms of reference; appointing its membership and chairs.
- (i) Carrying out an annual review of the membership of the Board of Directors, local governing bodies, other committees, panels and working groups; and all positions of office.
- (j) Agreeing a process for the regular appraisal of performance and effectiveness of the Board of Directors, local governing bodies and other committees and for individual directors, governors and other committee members.
- (k) Approving annual objectives for the Chair of Directors. (R)
- (l) Reviewing annually, the standing orders and financial regulations
- (m) Reviewing annually the terms of reference of the Board of Directors, local governing bodies and other committees and the scheme of delegation to the executive.
- (n) Appointing staff to, and removing from, the office of the clerk to the directors. (R)

5.2 Strategic Planning

- (a) Agreeing the Trust's strategic plan incorporating the financial plans of all academies and keeping it under review, ensuring that the federation as a whole is working towards achieving the mission and vision and delivering against strategic objectives, targets and key performance indicators. (R)
- (b) Establishing a strategic planning framework which sets out a unified approach to the development and review of all strategies and action plans across the federation. (R)
- (c) Developing and agreeing a range of corporate and service strategies ensuring they are linked to strategic plan goals and priorities and aimed at achieving the shared vision. (R)

5.3 Finance

- (a) Approving annually and keeping under review the academies' financial plans and budgets. (R)
- (b) Approving annually the Trust's budgets (each academy and consolidated) (R)
- (c) Approving the Trust's annual report and financial accounts after scrutiny by the finance and resources committee and prior to presentation to the Trust's members at the AGM. (R)
- (d) Appointing the Trust's Responsible Officer. (R)
- (e) Approving the Trust's treasury policy. (R)
- (f) Establishing and overseeing a framework for borrowing and monitoring full compliance with all covenants (especially financial) contained in loan facilities.

5.4 Performance Review

- (a) Establishing a framework for performance monitoring through key indicators and annually set targets in all areas of the federation. (R)
- (b) Carrying out regular reviews of performance in line with agreed objectives, targets and indicators.

5.5 Education Provision and Service Delivery

- (a) Setting the standards for the delivery of a high quality of education provision and services for students within the federation and keeping them under review.
- (b) Establishing a framework for the review and continuous improvement of education provision and services

GOVERNANCE STATEMENT (continued)

across the Trust which involves students, staff, parents/carers and external challenge as appropriate.

(c) Monitoring the implementation of development/improvement plans against agreed strategic objectives, moving the federation towards achieving excellence in all areas.

5.6 Asset Management

(a) Agreeing the Trust's strategy for the management of all assets, ensuring the provision of good quality learning resources for students, maintaining the value of assets and ensuring continuing availability for future student cohorts. (R)

(b) Agreeing the Trust's annual stock investment programme, ensuring it is in line with the asset management strategy and informed by up to date asset condition data; and that it is within the parameters of the strategic plan. (R)

5.7 Stakeholder Engagement

(a) Agreeing and promoting the Trust's strategy for involving stakeholders ensuring that the federation sufficiently engages with a cross section of groups to enable strategies, policies and standards to be set, and decisions to be made, which properly take into account the perspective of key stakeholder groups. (R)

5.8 Staffing

(a) Agreeing the staffing structure and establishment for the federation. (R)

(b) Agreeing changes to the staffing structure and establishment which are outside budget or may result in redundancies. (R)

(c) Agreeing a process for the selection and appointment of the executive headteacher and members of the executive management team

(d) Delegating such powers to the executive management team as a whole and to individual executives to enable the day-to-day running of the federation and its academies. (R)

5.9 Remuneration

(a) Agreeing the principles by which executive and other staff pay and benefits are determined. (R)

(b) Determining the remuneration of all members of the executive team and senior staff. (R)

(c) Determining other staff remuneration. (R)

5.10 Audit and Risk

(a) Agreeing a strategy for the management of risk, overseeing the effectiveness of risk management practice and ensuring that the Trust operates a framework that effectively identifies and manages risks. (R)

(b) Agreeing policies and making decisions on all matters that might create significant financial or other risk to the Trust or which raise material issues of principle. (R)

(c) Establishing and overseeing a framework of delegation and systems of control including internal and external audit systems and procedures. (R)

(d) Ensuring that the system of internal controls is regularly reviewed.

(e) Approving the statement of internal controls to be included in the annual report. (R)

(f) Recommending the appointment or removal of external auditors to the Trust members at the AGM. (R)

5.11 Business Development

(a) Agreeing the Trust's strategy for the development of the federation through organic growth, new joiners, diversification and partnerships. (R)

(b) Setting out the parameters within which the executive headteacher and other staff may engage with other organisations and individuals in furtherance of the strategy. (R)

(c) Considering any matters which are outside the strategy but which may contribute to the longer term sustainability and viability of the federation. (R)

5.12 Compliance

(a) Monitoring the performance the Trust including all academies within the federation ensuring compliance with all legal and regulatory requirements. (R)

(b) Ensuring the Trust's affairs are conducted within the law and the constitution and in accordance with generally accepted standards of performance and probity. (R)

(c) Considering and agreeing the contents of statutory and regulatory returns to the Department for Education, Companies House and if required to the Charity Commission. (R)

(d) Reviewing compliance against any recognised best practice standards and codes of practice (R)

GOVERNANCE STATEMENT (continued)

5.13 Contracts

- (a) Approving any major capital programmes and projects (R)
- (b) Approving contracts which are material, strategically or by reason of size such as loan agreements, acquisition or disposal of fixed assets over £10,000 other than where expressly delegated in line with approved policies, projects or programmes. (R)
- (c) Approving any major investments other than those agreed as part of treasury management policy (R)

5.14 Environment and Sustainability

- (a) Develop and agree the Trust's strategies for the environment and sustainability.
- (b) Review and recommend action on environmental and sustainability issues.

5.15 General

- (a) Compromising, settling, conducting, enforcing or resisting either in a court of law or by arbitration any suit, debt, liability or claim by or against the Trust which are material, by reason of value or impact on the reputation of the federation or any of its academies. (R)
- (b) Reviewing and agreeing a strategy on diversity and inclusion and ensuring that the Board of Directors demonstrates leadership in all matters relation to diversity and inclusion in terms of its workforce, procurement and service delivery.
- (c) Approving all policy unless expressly delegated to a local governing body or other committee or expressly delegated to directors, governors, other committee members or executives to make minor amendments. (R)

The Finance and Resources Committee is a sub-committee of the main Board of Trustee, the committee was set up 1 July 2013. Attendance at the current Finance and Resources Committee, following the formation of the MAT was as follows:

Trustee	Meetings attended	Out of a possible
M Friday, Chair	1	1
I Boyce, Vice Chair	0	1
W Taylor-Dowson	1	1
B Sedgebear	0	1
R Winters	0	1

TERMS OF REFERENCE: FINANCE & RESOURCES COMMITTEE

1 Overall Purpose

1.1 The overall purpose of the Finance & Resources Committee is:

- To ensure that The Trust's framework of financial planning, treasury management, systems and controls is enabling the proper management of the financial resources within the federation.
- To support the Board of Directors in ensuring that a framework is established and maintained for optimising the employment of all the resources available to the Trust to enable it to meet its business and financial objectives.
- To develop strategies for communications, procurement, value for money, health and safety, and facilities management.
- 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.

2 Size and Composition

2.1 The Trust has agreed that the membership of the Finance & Resources Committee will comprise a minimum of five committee members including:

- A majority of directors (Article 101)
- One member from each local governing body within the federation

2.2 In appointing the membership the Board of Directors will ensure that the committee has the right balance of skills, knowledge and experience overall to fulfil its remit. The membership will be subject to a selection process overseen by the Director of Finance and subject to the approval and annual review of the Board of

GOVERNANCE STATEMENT (continued)

Directors.

2.3 The committee chair will be a director and will be appointed as committee chair by the Board of Directors taking into account the skills and experiences required for the position and the balance of chairing responsibilities within the federation. The chair of the committee should not be the executive headteacher.

2.4 The committee will be supported by the Director of Finance as the lead member of staff in attendance.

3 Frequency of meetings

3.1 There will be a minimum of three termly meetings a year scheduled to align with regulatory and reporting requirements wherever possible.

3.2 Additional ad hoc meetings may be arranged to deal with identified significant issues or to cope with increased workload.

4 Quorum and Voting

4.1 The quorum shall be three committee members.

4.2 Every matter which requires a decision at a committee meeting shall be determined by a majority of the votes of the committee members present and voting on the question. Every committee member shall have one vote.

4.3 The committee may not make any decision unless those present at the meeting includes a majority of directors (Article 101).

5 Core Functions

5.1 General

(a) Setting the standards for the delivery of all financial and business support services across the federation and keeping them under review.

(b) Agreeing all financial and business support policies and keeping them under review.

(c) Monitoring key financial and business support services performance indicators across the federation 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.

(d) Considering and making recommendations to the Board of Directors on compliance with all regulatory and other financial reporting requirements.

5.2 Finance

(a) Reviewing and recommending to the Board of Directors the budget strategy for the coming year.

(b) Monitoring the Trust's performance against budget and alert the Board of Directors to any significant variances.

(c) Ensuring that the Trust's assets are protected by the maintenance of adequate insurance cover.

(d) Keeping the bank mandate and banking provision under review.

(e) Reviewing and recommending treasury management policy to the Board of Directors.

(f) Maintaining the stability of the Trust's financial position by monitoring the cash flow and ensuring the effectiveness of financial controls.

5.3 Procurement and Value for Money

(a) Developing and agreeing the Trust's strategies for procurement and value for money.

(b) Agreeing procurement policies in relation to pre-tender, tender, and post tender processes.

(c) Monitoring compliance in relation to procurement and measure the effectiveness of procurement processes and other efficiency measures in delivering value for money.

5.4 Communications

(a) Developing and agreeing the Trust's strategies for information technology, internal communications and public relations.

(b) Considering and agreeing any capital investments in IT ensuring that there is a robust business case which demonstrates value for money and a clear project management structure.

(c) Reviewing the Trust's business continuity plan, risk management and disaster recovery arrangements

5.5 Health and Safety

(a) Developing and recommending to the Board of Directors the Trust's statutory health and safety policy.

(b) Establishing and monitoring the implementation of the Trust's health and safety framework.

GOVERNANCE STATEMENT (continued)

- (c) Ensuring that the Trust is meeting its statutory obligations concerning health and safety.
- (d) Nominating a member of the committee to be the health and safety champion for the federation who will play an active advisory role to support the executive management team in their leadership of staff health and safety forums; ensuring that the processes designed to support directors in discharging their health and safety duties are robust and implemented effectively.

5.6 Facilities Management

- (a) Ensuring that the Trust is accommodated, equipped and administered to provide efficient, effective and economic services.

The HR & Governance Committee is also a sub-committee of the main Board of Trustees.
The first meeting took place on 5 November 2013.

Trustees

Lesley Hancock, Chair
Paul Simpson, Vice Chair
Claire Saunders
Roz Liddle
Emma Over

TERMS OF REFERENCE: HR & GOVERNANCE COMMITTEE

1. Overall Purpose

1.1 The overall purpose of the HR and Governance committee is to:

- To develop 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 executive principal and other members of the senior management team including the review of salary and 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 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.

2. Size and Composition

2.1 The Trust has agreed that the membership of the HR & governance committee will comprise a minimum of five committee members including:

- A majority of directors (Article 101)
- One member from each local governing body within the federation

2.2 In appointing the membership the Board of Directors will ensure that the committee has the right balance of skills, knowledge and experience overall to fulfil its remit. The membership will be subject to a selection process overseen by the Director of Finance and subject to the approval and annual review of the Board of Directors.

2.3 The executive headteacher (or any other member of staff) will not be a member of the committee.

2.4 The committee chair will be a director and will be appointed as committee chair by the Board of Directors taking into account the skills and experiences required for the position and the balance of chairing responsibilities within the federation.

2.5 The committee will be supported by the Director of Finance as the lead member of staff in attendance.

3. Frequency of meetings

3.1 There will be six (termly) meetings a year scheduled to enable recommendations to be referred to the Board of Directors with minimum delay.

3.2 Additional ad hoc meetings may be arranged to deal with identified significant issues or to cope with increased workload.

4. Quorum and Voting

4.1 The quorum shall be three committee members.

4.2 Every matter which requires a decision at a committee meeting shall be determined by a majority of the

GOVERNANCE STATEMENT (continued)

votes of the committee members present and voting on the question. Every committee member shall have one vote.

4.4 The committee may not make any decision unless those present at the meeting includes a majority of directors (Article 101).

5. Core Functions

5.1 Human Resources - General

(a) Developing and recommending to the Board of Directors for approval, the Trust's strategies for employment and organisational development.

(b) Recommending to the Board of Directors any changes to the staffing establishment which are outside budget or may result in redundancies.

(c) Keeping the federation's pension arrangements under review and making recommendations on any changes or key issues to the Board of Directors.

(d) Overseeing the establishment of, and keeping under review, formal and informal arrangements for negotiation and consultation with staff and trade unions.

(e) Agreeing terms and conditions of service for staff.

5.2 Staff Remuneration

(a) Establishing and keeping under review a job evaluation scheme.

(b) Developing and recommending remuneration strategy and 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 teaching and support staff to deliver the Trust's mission and meet the strategic plan objectives.

(c) Considering and recommending to the Board of Directors the proposed annual pay review for staff; taking into account agreed strategy and policy, local and national circumstances, and taking professional advice as required.

(d) Reviewing and recommending the salary reviews of the executive headteacher and other members of the executive management team to the Board of Directors having taken external advice on market salaries and benefits and having regard to contractual terms.

(e) Reviewing and recommending to the Board of Directors the form and content of contracts for the executive headteacher and other members of the executive management team.

5.3 Performance

(a) Establishing performance management/review schemes for staff to reflect the operational needs of the federation.

(b) Overseeing a process for the regular appraisal of performance and effectiveness of the executive headteacher and other members of the executive management team, ensuring that the necessary assurances and outcome reports are presented to the Board of Directors and action plans developed to address any improvements required.

(c) Establishing a panel for the appraisal of the executive headteacher.

5.4 Equality, Diversity and Inclusion

(a) Developing and recommending to the Board of Directors, the Trust's strategy for equality, diversity and inclusion.

(b) Ensuring that the Trust is meeting its statutory and regulatory obligations concerning equality, diversity and inclusion and is actively developing structures, services, and policies which are responsive to the needs of individuals, groups and communities and free from discrimination.

5.5 Board and Committee Membership

(a) Reviewing and recommending the membership of the Board of Directors, the local governing bodies and federation-wide committees taking into account their terms of reference and seeking to ensure that there is an appropriate balance of skills, knowledge and experience and competencies on each body, enabling them to properly fulfil their purpose and exercise their core functions.

(b) Overseeing the implementation of director, governor and other committee member recruitment and selection processes across the federation.

5.6 Board and Committee Member Skills, Performance and Development

(a) Carrying out regular skills audits and maintaining up to date succession plans for directors, governors and other committee members taking account of the challenges and opportunities facing the federation and the balance of skills, knowledge and experience required on the Board of Directors, the local governing bodies and

GOVERNANCE STATEMENT (continued)

the federation-wide committees.

(b) Overseeing a process for the regular appraisal of performance and effectiveness of the Board of Directors, local governing bodies and federation-wide committees and individual directors, governors and other committee members, ensuring that outcome reports are presented to the Board of Directors and action plans developed to address any improvements required.

(c) Reviewing annually the commitment of all directors, governors and other committee members ensuring that attendance and contribution is consistent with the proper exercising of their roles and responsibilities.

(d) Developing and overseeing the implementation of a governance development programme which addresses issues identified in collective and individual appraisals as well as emerging priorities such as changes in services, legislation or regulation, or new business.

(e) Developing and overseeing the implementation of an induction programme for new directors, governors and other committee members.

5.7 Non-Executive Remuneration and Expenses

(a) Keeping the issue of non-executive director and governor remuneration under review within the context of developing trends in the sector, charity law and regulation, and issues relating to the recruitment of directors, governors and committee members.

(b) Reviewing and recommending to the Board of Directors any proposals for payment of non-executive directors for services within the parameters of the articles of association.

(c) Reviewing the expenses policy for directors, governors and other committee members.

Both schools in the Trust, Caludon Castle School and Hill Farm Primary, operate a **Local Governing Body Committee** as sub-committees of the main Board of Trustees.

Caludon Castle School Committee

Claire Saunders (Chair)
Aileen Brown (Vice Chair)
Brian Sedgebear
Emma Over
Ian Boyce
David Whittle
Deborah Borgeat
Andrew Davoile

Hill Farm Primary School Committee

Vacancy (Chair)
Roz Liddle (Vice Chair)
Ruth Winters
Chris Turner
Leah Baddeley
Jas Guraya
Irene Gittins
Sharon Peters

MODEL TERMS OF REFERENCE: LOCAL GOVERNING BODIES

Note: these are model terms of reference agreed by the Board of Directors for its committees known as local governing bodies for all academies within the federation. Any variance may be proposed by individual academies and are subject to the approval of the Board of Directors in accordance with the articles of association.

1. Overall Purpose

1.1 The overall purpose of the local governing body is to:

- To ensure all students within the 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 plans ensuring that it is delivering against agreed strategic and local objectives; moving the academy and federation as a whole towards achieving and sustaining a regulatory judgement of outstanding in all areas.
- To ensure that the academic and wellbeing needs of federation 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.

GOVERNANCE STATEMENT (continued)

- To ensure the federation's collective published admission number (PAN) is full.

2. Size and Composition

2.1 The Trust has agreed that the membership of the local governing body will comprise a minimum of ten governors including:

- at least two parent governors and subject to:
- no more than one third being parent governors
- no more than one third being staff governors

2.2 In appointing the governor membership the Board of Directors will ensure that the local governing body has the right balance of skills, knowledge and experience to fulfil its remit.

2.3 Governor membership and appointments to positions of office are all subject to the approval of the Board of Directors. Governors may also be appointed to one of the federation-wide committees taking into account the outcomes of the most recent skills audit.

2.4 The local governing body chair will be appointed by the Board of Directors from within the local governing body membership each September (Article 102) taking into account the required skills and competencies required for the position. The local governing body chair will not be the executive headteacher or the associate headteacher / deputy headteacher who has lead responsibility for the academy.

2.5 The local governing body will be supported by the nominated member of the executive management team who will be in attendance as the lead member of staff unless otherwise directed by the local governing body chair or executive headteacher.

3. Frequency of meetings

3.1 There will be six (termly) meetings per academic year.

3.2 Additional ad hoc meetings may be arranged to deal with identified significant issues or to cope with increased workload.

3.3 Additional sub-committee or ad hoc working group meetings may be arranged to complete the delegated work schedule and/or deal with identified significant issues. Such additional meetings will only be arranged following liaison with the Director of Finance to ensure the impact of proposals support the additional time commitment and preparation for governors, reporting and meeting attendance requirements for staff and cost implications for clerking support. Written terms of reference will need to be developed to clarify the purpose and reporting lines via the local governing body to the Board of Directors.

4. Quorum and Voting

4.1 The quorum shall be five governors.

4.2 Every matter which requires a decision at a local governing body meeting shall be determined by a majority of the votes of the governors present and voting on the question. Every governor present shall have one vote.

5. Core Functions

5.1 Governance

- (a) Promote high expectations for standards and student outcomes.
- (b) Drive continuous improvement and ensuring rigorous processes of personalised target setting.
- (c) Ensure consistency, diversity and inclusion within the federation through implementation of the Trust's strategies, policies and procedures.
- (d) Review annually and recommend for the consideration of the Board of Directors any amendments to the local governing body's agreed terms of reference.
- (e) Ensure the academy and federation complies with the requirement for every learner to receive any statutory curriculum content in accordance with government directives for academies.
- (f) In conjunction with the Director of Finance, ensure governors are kept up to date about the national educational and regulatory developments affecting the Trust's approved curriculum and pedagogy; ensuring that changes are built into strategic planning and monitoring processes and reported to the Board of Directors and the Finance & Resources Committee to inform strategic decision making.
- (g) In conjunction with the Director of Finance, review relevant policies in line with the policy review schedule and make appropriate recommendations for change to the Board of Directors, monitoring the effectiveness of implementation and level of congruence between policy and practice particularly in relation to:
 - The behaviour policy and all strategies relating to behaviour, social and emotional aspects of learning (SEAL), sanctions and rewards.
 - Diversity and inclusion and robustly challenge any discrimination against learners on the grounds of gender (including gender reassignment), race disability, sexual orientation, religion and belief, marital / civil partnership status or age where applicable.

GOVERNANCE STATEMENT (continued)

- (h) Ensure all statutory assessments, including the administration and invigilation of exams, are conducted effectively in line with the Trust's policy and adhere to examining body criteria/specifications, seeking assurances that all results have been forwarded in a timely manner to students, parent/carers and the appropriate bodies.
- (i) Liaising with the Board of Directors to consider and respond as appropriate to Ofsted's regulatory judgements and reporting.

5.2 Strategic Planning

- (a) Contribute to the development of the Trust's long term strategic plan; ensuring that the academy is working towards the shared mission and vision through overseeing the development, implementation and monitoring of the academy's development/improvement plans; delivering against strategic objectives, targets and key performance indicators in relation to its remit.
- (b) In conjunction with the Director of Finance, ensure that the local governing body's agenda planning enables effective scrutiny of data and reporting which focuses activity upon the strategic and local priorities identified for the forthcoming year.
- (c) Recommend an annual attendance target for students for the approval of the Board of Directors, ensuring that proper procedures are in place for recording absence of students and the impact of any follow up action taken.
- (d) Recommend the annual student performance targets for the approval of the Board of Directors.
- (e) Liaising with the Board of Directors and its committees as required and considering any matters which are outside the strategy but which may contribute to the longer term sustainability and viability of the federation.

5.3 Performance Review

- (a) Conducting in-depth scrutiny of data and the reporting of standards, examination results, assessments and progress in order to ensure accountability.
- (b) Carrying out regular reviews of student progress and attainment data to ensure performance and outcomes are in line with agreed objectives, targets and indicators.
- (c) Tracking and monitoring of students' progress and the assessing the impact of interventions where progress is low.
- (d) Ensuring, measuring and benchmarking quality assurance and evaluation processes to drive continuous improvement and secure high levels of student attainment and achievement.

5.4 Education Provision and Service Delivery

- (a) Monitoring the implementation of federation standards to ensure the delivery of a high quality of education provision and services for students of the academy and keeping them under review.
- (b) Ensuring the provision of a broad and well balanced curriculum, assessing its impact upon student learning and encouraging innovative teaching practice to achieve consistently good or better teaching standards.
- (c) Ensuring a high quality of careers information, advice (where appropriate), guidance & support (CIAGS) so that students' interests and abilities are matched to appropriate pathways in order for them to achieve the best possible outcomes.
- (d) Overseeing the quality of learning, progress and attainment for students with special educational needs and/or disabilities (SEND) and other identified vulnerable groups including: gifted and talented; black and other minority ethnic; travellers; looked after children; free school meals.

5.5 Stakeholder Engagement

- (a) Promoting the Trust's strategy for involving stakeholders and outward facing student activity.
- (b) Ensuring that the academy sufficiently engages with a cross section of groups to secure its full published admission number (PAN) and enable strategies, policies and standards to be set, and decisions to be made, which properly take into account the perspective of key stakeholder groups.

5.6 General

- (a) Recommending for audit & risk committee consideration and approval by the Board of Directors, any changes to policies and ratification of decisions on all matters that might create significant financial or other risk to the federation or any academy or which raise material issues of principle.
- (b) In conjunction with the Director of Finance, designate a panel to hear formal complaints about areas falling under the committee's remit (i.e. curriculum, teaching and learning/behaviour or wellbeing of students) according to school policy and DfE guidance (where appropriate).
- (c) In conjunction with the Director of Finance, designate a panel to hear any appeal to lift or change the statutory requirements for a child.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Castle Phoenix Trust for the period 1 February 2013 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the period 1 February 2013 to 31 August 2013 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 Academy Trust's system of internal financial control and finance policy 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 General Purposes 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 Finance and Resources Committee has appointed Anne Duffy of Duffy & Skilton Consultants as Responsible Officer post year end.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the work of the managers and governors within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 11 December 2013 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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



M Marr
Accounting Officer

Date: 11 December 2013

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

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 Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**M Friday
Chair of Trustees**

Date: 11 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE PHOENIX TRUST

We have audited the financial statements of Castle Phoenix Trust for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

UNQUALIFIED OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CASTLE PHOENIX TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
11 December 2013

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

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

In accordance with the terms of our engagement letter dated 28 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Castle Phoenix Trust during the period 1 February 2013 to 31 August 2013 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Castle Phoenix Trust and the EFA, 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 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 February 2013 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 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 period 1 February 2013 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

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

Date: 11th December 2013.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Activities for generating funds	2,3	96,504	-	-	96,504
Investment income	4	676	-	-	676
Incoming resources from charitable activities	5	105,163	5,003,129	29,245	5,137,537
TOTAL INCOMING RESOURCES		202,343	5,003,129	29,245	5,234,717
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising expenses and other costs	3	34,566	-	-	34,566
Charitable activities		174,979	4,587,330	-	4,762,309
Governance costs	7	-	24,980	-	24,980
Other resources expended	8	-	22,009	-	22,009
Transfer of liabilities on conversion to academy trust		(1,178,237)	1,210,000	-	31,763
TOTAL RESOURCES EXPENDED	11	(968,692)	5,844,319	-	4,875,627
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		1,171,035	(841,190)	29,245	359,090
Actuarial gains and losses on defined benefit pension schemes		-	7,000	-	7,000
NET MOVEMENT IN FUNDS FOR THE YEAR		1,171,035	(834,190)	29,245	366,090
Total funds at 1 February 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		1,171,035	(834,190)	29,245	366,090

All of the academy's activities derive from continued operations in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.


The notes on pages 37 to 54 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
CURRENT ASSETS			
Debtors	18	1,253,966	
Cash at bank and in hand		1,236,271	
		<u>2,490,237</u>	
CREDITORS: amounts falling due within one year	19	(880,147)	
NET CURRENT ASSETS			<u>1,610,090</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,610,090</u>
Defined benefit pension scheme liability	25	(1,244,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>366,090</u>
FUNDS OF THE ACADEMY			
Restricted funds:			
General funds	20	409,810	
Fixed asset funds	20	29,245	
		<u>439,055</u>	
Restricted funds excluding pension liability			
Pension reserve		(1,244,000)	
Total restricted funds			(804,945)
Unrestricted funds	20		<u>1,171,035</u>
TOTAL FUNDS			<u>366,090</u>

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2013 and are signed on their behalf, by:


M Friday
Chair of Trustees

The notes on pages 37 to 54 form part of these financial statements.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	2013 £
Net cash flow from operating activities	22	2,385,459
Cash transferred on conversion to an academy trust	24	(1,149,188)
INCREASE IN CASH IN THE PERIOD		1,236,271

All of the cash flows are derived from continued operations in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	2013 £
Increase in cash in the period	1,236,271
MOVEMENT IN NET FUNDS IN THE PERIOD	1,236,271
NET FUNDS AT 31 AUGUST 2013	1,236,271

The notes on pages 37 to 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 OPERATING LEASES

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 TAXATION

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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 PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.8 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Caludon Castle School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Castle Phoenix Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

2. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Consultancy	69,181	-	69,181
Fees received	23,838	-	23,838
Other	3,485	-	3,485
	<u>96,504</u>	<u>-</u>	<u>96,504</u>

3. TRADING ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
FUNDRAISING TRADING EXPENSES			
Fees received expenses	34,566	-	34,566
Net expenditure from trading activities	<u>(34,566)</u>	<u>-</u>	<u>(34,566)</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	676	-	676

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Education	105,163	5,032,374	5,137,537

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
Capital Grants	-	29,245	29,245
General Annual Grant	-	4,665,834	4,665,834
Start up Grants	-	120,000	120,000
Other DfE/EFA grants	-	86,795	86,795
Other government grants non capital	-	110,500	110,500
Internal catering income	957	-	957
Other	104,206	20,000	124,206
	<u>105,163</u>	<u>5,032,374</u>	<u>5,137,537</u>

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Education	<u>174,979</u>	<u>4,587,330</u>	<u>4,762,309</u>

7. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	8,950	8,950
Auditors' non audit costs	-	4,775	4,775
Legal and Professional	-	11,255	11,255
	<u>-</u>	<u>24,980</u>	<u>24,980</u>

8. OTHER RESOURCES EXPENDED

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfers from Local Authority on conversion	<u>(1,178,237)</u>	<u>1,232,009</u>	<u>53,772</u>

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

9. DIRECT COSTS

	Total 2013 £
Pension finance costs	28,000
Educational supplies	34,304
Examination fees	104,964
Staff development	11,957
Other costs	24,898
Supply teachers	2,025
PFI Charge	741,748
Technology costs	36,489
Wages and salaries	2,347,409
National insurance	182,625
Pension cost	325,336
	<u>3,839,755</u>

10. SUPPORT COSTS

	Total 2013 £
Other costs	4,403
Recruitment and other staff costs	5,643
Maintenance of premises and equipment	47,870
Rent and rates	32,970
Insurance	250
Security and transport	8,855
Catering	3,710
Technology costs	120,336
Office overheads	63,899
Legal and professional	57,249
Service level agreements	42,083
Wages and salaries	455,824
National insurance	30,462
Pension cost	49,000
	<u>922,554</u>

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Other costs 2013 £	Total 2013 £
Fundraising expenses	-	34,566	34,566
COSTS OF GENERATING FUNDS	-	34,566	34,566
Education	2,855,370	984,385	3,839,755
Support costs - Education	535,286	387,268	922,554
CHARITABLE ACTIVITIES	3,390,656	1,371,653	4,762,309
GOVERNANCE	-	24,980	24,980
OTHER RESOURCES EXPENDED	-	53,772	53,772
	3,390,656	1,484,971	4,875,627

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Education	3,839,755	922,554	4,762,309

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2013 £
Auditors' remuneration	8,950
Non auditor remuneration	4,775

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

14. STAFF COSTS

Staff costs were as follows:

	2013 £
Wages and salaries	2,803,233
Social security costs	213,087
Other pension costs (Note 25)	374,336
	<hr/> 3,390,656 <hr/>

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	2013 No.
Teaching Staff	81
Support Staff	45
Leadership	17
	<hr/> 143 <hr/>

The number of employees whose pro rata emoluments for a 12 month period fell within the following bands was:

	2013 No.
In the band £60,001 - £70,000	3
In the band £70,001 - £80,000	1
In the band £80,001 - £90,000	1
In the band £110,000 - £120,000	1
	<hr/> 6 <hr/>

Employer's pension contributions made on behalf of the above employees in the 7 month period amounted to £34,428.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration in the 7 month period to 31 August 2013 fell within the following bands:

	2013 £
M Marr	70,000-75,000
E Over	25,000-30,000
A Davoile	25,000-30,000

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

16. TRUSTEES' AND OFFICERS' INSURANCE

Trustees benefit from indemnity insurance purchased at the academy'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 the academy, 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 the academy. The limit of this indemnity is £25,000,000.

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,738.

The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2013 £
Expected return on pension scheme assets	24,000
Interest on pension scheme liabilities	(52,000)
	<hr/> (28,000) <hr/>

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

18. DEBTORS

	2013
	£
Trade debtors	36,188
Other debtors	1,149,188
Tax recoverable	68,590
	<hr/>
	1,253,966
	<hr/>

19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013
	£
Trade creditors	61,339
Other taxation and social security	106,891
Other creditors	100,848
Accruals and deferred income	611,069
	<hr/>
	880,147
	<hr/>

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General Fund	-	202,343	1,063,926	-	1,266,269
Other GENERAL FUNDS	-	-	(95,234)	-	(95,234)
	<u>-</u>	<u>202,343</u>	<u>968,692</u>	<u>-</u>	<u>1,171,035</u>
RESTRICTED FUNDS					
General Annual Grant (GAG)	-	4,703,076	(4,473,513)	-	229,563
Pupil premium	-	47,025	(47,025)	-	-
Start up grant	-	120,000	(58,192)	-	61,808
Other EFA Grants	-	2,528	-	-	2,528
Other Government Grants	-	110,500	-	-	110,500
OB2L Funding	-	20,000	(14,589)	-	5,411
Pension reserve	-	-	(1,251,000)	7,000	(1,244,000)
	<u>-</u>	<u>5,003,129</u>	<u>(5,844,319)</u>	<u>7,000</u>	<u>(834,190)</u>
RESTRICTED FIXED ASSET FUNDS					
Devolved Formula Capital grants	-	29,245	-	-	29,245
Total restricted funds	<u>-</u>	<u>5,032,374</u>	<u>(5,844,319)</u>	<u>7,000</u>	<u>(804,945)</u>
Total of funds	<u>-</u>	<u>5,234,717</u>	<u>(4,875,627)</u>	<u>7,000</u>	<u>366,090</u>

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

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

Pension reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Pupil Premium - Income from the EFA 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 grants - Income which has been received for specific purposes.

OB2L - Overcoming Barriers to Learning. Funding from Coventry City Council to help ensure that the whole community, including students, parents, providers and local agencies, aspire to improve students' life chances through educational achievement and a relentless focus on overcoming significant barriers to learning.

Capital Grants – These funds were received for direct expenditure on fixed asset projects.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	-	202,343	968,692	-	1,171,035
Restricted funds	-	5,003,129	(5,844,319)	7,000	(834,190)
Restricted fixed asset funds	-	29,245	-	-	29,245
	<u>-</u>	<u>5,234,717</u>	<u>(4,875,627)</u>	<u>7,000</u>	<u>366,090</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Current assets	1,266,269	1,194,723	29,245	2,490,237
Creditors due within one year	-	(880,147)	-	(880,147)
Provisions for liabilities and charges	-	(1,244,000)	-	(1,244,000)
	<u>1,171,035</u>	<u>(834,190)</u>	<u>29,245</u>	<u>366,090</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	359,090
Increase in debtors	(104,778)
Increase in creditors	880,147
Increase in provisions	1,244,000
Defined benefit pension scheme adjustments	7,000
NET CASH INFLOW FROM OPERATIONS	<u><u>2,385,459</u></u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 February 2013 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	1,236,271	-	1,236,271
NET FUNDS	<u>-</u>	<u>1,236,271</u>	<u>-</u>	<u>1,236,271</u>

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

24. CONVERSION TO AN ACADEMY TRUST

On 1 February 2013 Caludon Castle School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Castle Phoenix Trust from Coventry City Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	1,149,188	-	-	1,149,188
Budget surplus/(deficit) on other school funds	29,049	-	-	29,049
LGPS pension surplus/(deficit)	-	(1,210,000)	-	(1,210,000)
Net assets/(liabilities)	1,178,237	(1,210,000)	-	(31,763)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS (continued)

earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

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 period ended 31 August 2013 was £113,291, of which employer's contributions totalled £84,439 and employees' contributions totalled £28,852. The agreed contribution rates for future years are 21.3% for employers and 5.5-7.5% for employees.

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

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS (continued)

As described in note 24 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(2,038,000)
Fair value of scheme assets	794,000
	<hr/>
Net liability	(1,244,000)
	<hr/> <hr/>

The amounts recognised in the Statement of financial activities are as follows:

	2013 £
Current service cost	(97,000)
Interest on obligation	(52,000)
Expected return on scheme assets	24,000
	<hr/>
Total	(125,000)
	<hr/> <hr/>

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

	2013 £
Current service cost	97,000
Interest cost	52,000
Contributions by scheme participants	29,000
Liabilities transferred on conversion	1,860,000
	<hr/>
Closing defined benefit obligation	2,038,000
	<hr/> <hr/>

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

	2013 £
Expected return on assets	24,000
Actuarial gains and (losses)	7,000
Contributions by employer	84,000
Contributions by employees	29,000
Assets transferred on conversion	650,000
	<hr/>
	794,000
	<hr/> <hr/>

The academy expects to contribute £145,000 to its Defined benefit pension scheme in 2014.

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

25. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013
European equities	42.40 %
European bonds	8.40 %
Property	8.70 %
Cash	4.10 %
Other bonds	11.20 %
Other	25.20 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.89 %
Rate of increase in salaries	4.15 %
Rate of increase for pensions in payment / inflation	2.40 %

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

	2013
Retiring today	
Males	22.1
Females	24.8
Retiring in 20 years	
Males	23.9
Females	26.7

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(2,038,000)
Scheme assets	794,000
Deficit	(1,244,000)
Experience adjustments on scheme assets	7,000

CASTLE PHOENIX TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

26. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	Other 2013 £
EXPIRY DATE:		
Between 2 and 5 years	-	21,451
	<u> </u>	<u> </u>