

Registered number: 08324412 (England & Wales)

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**Members**

D Shephard  
L Tomlinson  
T Hancock  
D Elkington

**Trustees**

H Allen (resigned 29 September 2015)  
J Barkham  
P Daubney (resigned 22 September 2015)  
K Duke, Accounting Officer and Staff Trustee to resignation (resigned 21 April 2016)  
D Elkington, Chair of Trustees  
N Frayne  
D Horry  
S Lingard (appointed 22 September 2015)  
A Marriott  
D Tebbutt, Staff Trustee (resigned 3 February 2016)  
J Waller-Davies (appointed 22 September 2015, resigned 26 January 2016)

**Company registered number**

08324412

**Company name**

The Phoenix Family of Schools Academy Trust

**Principal and registered office**

Boston Pioneers Free School Academy, Fydell Crescent, Boston, Lincs, PE21 8SS

**Accounting Officer**

J Bland, from 22 April 2016  
K Duke, to 21 April 2016

**Senior management team**

R Hopwood, Head of School, Fishtoft Academy  
S Gray, Head of School, Gosberton Academy  
C Pinder, Head of School, Boston Park Academy  
J Bland, Head of School, Boston Pioneers Free School Academy  
K Duke, Trust Leader - Teaching and Learning (until resignation)  
D Tebbutt, Trust Leader - Business (until resignation)

**Independent auditors**

Streets Audit LLP, Windsor House, A1 Business Park at Long Bennington, Notts, NG23 5JR

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

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**Advisers (continued)**

**Bankers**

HSBC Bank Plc, 53-54 Market Place, Boston, Lincs, PE21 6LS

**Solicitors**

Chattertons Solicitors, 28 Wide Bargate, Boston, PE21 6RT

**Internal auditor**

Audit Lincolnshire, County Offices, Newland, Lincoln, LN1 1YG

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

The trust operates as a Multi Academy Trust of four primary academies serving a catchment area in Boston and the surrounding area.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**CONSTITUTION**

The academy trust 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 trust. The trustees of The Phoenix Family of Schools Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Phoenix Family of Schools Academy Trust.

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

**TRUSTEES' INDEMNITIES**

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 £10,000,000 on any one claim.

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the Academy Trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Articles of Association require the members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust.

The Articles of Association require that the members of the Academy trust shall comprise:

- (a) The signatories of the Memorandum;
- (b) One person appointed by the Secretary of State, in the event the Secretary of State appoints a person for this purpose;
- (c) The Chair of the Board;
- (d) Any person appointed under Article 16.

The members may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

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

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**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

There is no formally agreed induction programme for newly appointed Trustees at present though the Trust Leaders and Chair spend time with new Trustees in order to inform them fully of the workings of the Trust and their responsibilities. The induction provided will depend on the new candidate's existing experience, and where necessary will include training on charity and educational legal and financial matters.

All new Trustees are given a tour of the academy and the chance to meet with staff and students, and are also provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

As there is normally expected to be only a small number of new Trustees each year, induction tends to be done informally and is tailored specifically to the individual. New Trustees are appointed in accordance with the provisions of the Articles of Association.

**ORGANISATIONAL STRUCTURE**

The main Board of Directors of the Trust has devolved the day-to-day running of each of the constituent Academy schools to Local Governing Bodies.

Each Academy within the Trust has its own individual Senior Leadership Team which includes the Head of Academy.

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academies nurture the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the School's policies, adopting the School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the School including its curriculum, the achievement and welfare of students and staffing.

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

The Directors of the Trust are responsible for setting pay and remuneration of key management personnel. Each position has a scale attached to the post, with any variations needing to be approved by the Directors or relevant subcommittee. Each year key management personnel are appraised by the CEO and independent education advisor based on the targets set during the previous academic year. Following the appraisal, the CEO makes recommendations to the Board of Directors for consideration. The CEO's appraisal is performed by a committee consisting of Directors and receives advice from an independent education advisor.

**RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

The Trustees are not aware of any connected organisations or related parties that would require disclosure.

**OBJECTIVES AND ACTIVITIES**

**OBJECTS AND AIMS**

The Academy Trust's principle object is to advance, for the public benefit, education in the United Kingdom, in particular (but without prejudice) to the generality of the foregoing, by establishment, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain links with industry and commerce and the international community; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

**PUBLIC BENEFIT**

The Trustees have reviewed the objectives and activities of the Charity as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

Standards of attainment and rates of progress for pupils and specific pupil groups were of concern both to Trust leaders and the Office of The Regional Schools Commissioner. Specific concerns of unacceptably low performance of pupils at Park Academy resulted in a Pre Warning Notice Letter to Directors from the RSC in December 2015. In addition performance at Gosberton Academy raised concerns.

Following consultation with the Trust the office of the RSC brokered a merger with The Boston Witham Academies Federation.

Performance at KS2 in 2016 is not comparable with 2015 testing arrangements. However the gap between individual academies in the trust and national outcomes narrowed in all measures at Fishtoft Academy, narrowed in all aspects except writing at Park Academy and the gap in Maths narrowed at Gosberton Academy. Pioneers Free School Academy opened in September 2013 and in the 2015-16 academic year accommodated pupils in KS1 only (YR-Y2).

In 2016 GLD was 57% compared to 66% NA. Y1 Phonics Screening Test 75% (NA 81%), Cumulative Phonics Screening Y2 95% (NA 91%).

Standards in KS1 Reading 48% (NA 72%) Writing 42% (NA 65%) Maths 62% (NA 73), Science 73% (NA 82%). Key focus (especially for EAL boys) remains Reading & Writing. Performance of disadvantaged pupils is a strength of the academy.

**KEY PERFORMANCE INDICATORS**

The key measures used to measure the Trust's performance will be KS2, quality of teaching and learning, Ofsted ratings and growth in pupil numbers.

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

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**GOING CONCERN**

During the year the Directors resolved that the Academies within the Trust should join The Boston Witham Academies Federation and that all assets, contracts, liabilities and employees would transfer directly to The Boston Witham Academies Federation. The transfer took place on 1 November 2016.

**FINANCIAL REVIEW**

The Trust held fund balances at 31 August 2016 of £7,691,593 comprising £500,925 of restricted funds, a fixed asset reserve of £7,790,579, a pension reserve deficit of £1,078,000 and £478,089 of unrestricted general funds.

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £3,834,760 was less than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of income over expenditure for the period was £181,723.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the period under review, £500,925 was carried forward representing 14.7% of GAG.

Another key financial performance indicator is staffing costs as a percentage of core funding. For 2016 this was 86.3% and this will be monitored in future periods.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £1,078,000.

Sufficient cash is held in reserve to enable the Trust to support any financial issues that it may experience. Despite the pension scheme being in deficit, it is not considered to impact on the Trust.

**RESERVES POLICY**

Subject to EFA's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under regular review. The reserves of the Trust are monitored regularly, reviewed and are considered to be sufficient for the Trust's requirements.

At 31 August 2016, free reserves held amount to £478,089 and restricted general funds amount to £500,925.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £7,790,579.

The pension fund is in deficit by £1,078,000.

Total funds at 31 August 2016 amount to £7,691,593, and the balance on restricted general funds plus unrestricted general funds at 31 August 2016 results in a net surplus of £979,014.



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

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**INVESTMENT POLICY**

Should the level of free cash reserves held by the Trust exceed that which is necessary to service its ongoing working capital needs, the Trustees, with reference to the short and longer-term forecasts will consider investment of any excess funds over an appropriate period, to maximise the return on any such surplus funds, while ensuring that risk is avoided insofar as is possible.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trust has carried out an extensive risk assessment based on the EFA model. The risks are categorised into various heading to permit us to analyse in detail specific risks. The predominant risks are given below.

Strategic and Reputation Risks

Competition risk: We have identified that we need to remain focused on our reputation within the local community to ensure future children see the school as a great learning establishment. We strive and indeed maintain a healthy presence in the community and our whole school results, year in results and interaction with the local community remain a major focus;

Public profile risk: Failure to comply with statutory Health and Safety (H&S) legislation. The "Human Factor" can never be eliminated, however the Academy has an active H&S culture in place that extends from the children, staff, Trustees, members and public. The Academy retains external advisors who can advise when necessary on H&S matters. The seeking of specialist advice should be used when major decisions to legislation are made;

Board of Trustees risk: Too little or too much delegation within committee. Effective management and delegation is conducted with whole committee monitoring. Workloads shared within various sub-committees.

Operational Risks

Management risk: Senior management capability /experience of charity sector risk. Currently SMT experience is more than sufficient for most tasks. The main areas of concern are the changes in EFA requirements that require the school to carry out tasks that are not expected. Otherwise, the objects of the Trust remain unchanged.

**PLANS FOR FUTURE PERIODS**

The immediate plan is to consolidate as individual academies within The Boston Witham Academies Federation, a multi academy trust, and with their support develop longer term plans that meet our educational aspirations.

On 1 November 2016 the Academies within the Trust transferred into The Boston Witham Academies Federation.

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

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

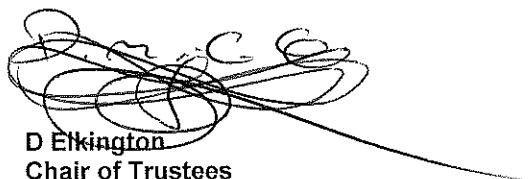
The Trust does not hold any such funds.

**AUDITOR**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19 December 2016 and signed on the board's behalf by:



D Elkington  
Chair of Trustees

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Accounting Officer, 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 The Phoenix Family of Schools Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Allen	1	1
J Barkham	7	8
P Daubney	0	0
K Duke	7	8
D Elkington	8	8
N Frayne	3	8
D Horry	5	8
S Lingard	7	8
A Marriott	7	8
D Tebbutt	7	7
J Waller-Davies	6	6

During the previous year the Trust undertook a review of governance with an external advisor from CFBT after receiving a visit from the RSC. The Trust continued to adopt key recommendations from this review during the year, including the removal of staff from the Board.

The Finance & Pay Committee is a sub-committee of the main Board of Trustees. Its purpose is to support the Accounting Officer in their day-to-day running of the financial affairs of the Trust and to oversee its systems of internal control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Barkham	3	3
K Duke	3	3
D Elkington	3	3
N Frayne	1	3
D Horry	2	3
S Lingard	3	3
A Marriott	2	3
P Redman	1	3
D Tebbutt	3	3
J Waller-Davies	1	3

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**GOVERNANCE STATEMENT (continued)**

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During the year the Directors set up a joint strategy committee. The purpose of the committee was to review the plans and actions of the proposed merger with The Boston Witham Academies Federation.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Elkington	3	3
S Lingard	3	3
A Marriott	3	3

### REVIEW OF VALUE FOR MONEY

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

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

- The avoidance of waste and extravagance;
- Ensuring all financial transactions represent value for money;
- Services and contracts have been appraised and negotiated to get the best mix of quality and effectiveness for the least cost;
- Economies of scale are used by reducing and sharing administration and central costs across the Trust;
- Staffing levels and structures are regularly reviewed to ensure efficient deployment to support an improved curriculum for the pupils and students of the Trust;
- Careful monitoring of additional finance streams intended to support individual pupils and students (for example those requiring one to one support, pupil premium and gifted and talented);
- Receiving regular monitoring reports/ health checks from external, independent accountancy audits.

### 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 The Phoenix Family of Schools Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & Pay Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to continue the appointment of Audit Lincolnshire as internal auditor.

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

- Review of budget management and financial planning;
- Payroll testing;
- Purchase testing;
- Petty cash and credit card testing;
- Income testing;
- Review of VAT returns.

On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Internal Auditor has delivered their scheduled work as planned. In their executive summary they concluded that they were able to provide management with limited assurance over the Trust's financial processes and internal controls.

The key recommendations related to budget monitoring and the frequency of finance and audit committee meetings. The points made have been fully considered and are being actioned accordingly. It was noted in the Internal Auditor's report that controls had been strengthened since financial responsibilities were transferred to Boston Witham Academies Federation.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers 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 & Pay Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 19 December 2016 and signed on their behalf, by:



**D Elkington**  
Chair of Trustees



**J Bland**  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Phoenix Family of Schools Academy 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



**J Bland**  
**Accounting Officer**

Date: 19 December 2016

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

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

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

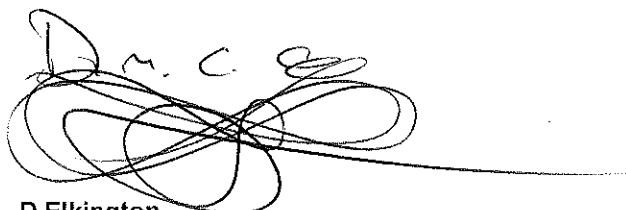
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 19 December 2016 and signed on its behalf by:



**D Elkington**  
Chair of Trustees



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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**

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We have audited the financial statements of The Phoenix Family of Schools Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Trust'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.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**

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

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

**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.



Mark Bradshaw (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Windsor House  
A1 Business Park at Long Bennington  
Notts  
NG23 5JR  
19 December 2016

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE PHOENIX  
FAMILY OF SCHOOLS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 28 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Phoenix Family of Schools Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Phoenix Family of Schools Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Phoenix Family of Schools Academy 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 The Phoenix Family of Schools Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST'S  
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of The Phoenix Family of Schools Academy Trust's funding agreement with the Secretary of State for Education dated 20 December 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE PHOENIX  
FAMILY OF SCHOOLS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

**CONCLUSION**

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



Mark Bradshaw (Senior statutory auditor)

for and on behalf of

**Streets Audit LLP**

Windsor House  
A1 Business Park at Long Bennington  
Notts  
NG23 5JR

19 December 2016

**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	14,924	-	112,510	127,434	486,950
Charitable activities	3	63,504	4,016,483	-	4,079,987	3,894,553
Other trading activities	4	2,191	-	-	2,191	2,000
Investments	5	1,489	-	-	1,489	317
<b>TOTAL INCOME</b>		<b>82,108</b>	<b>4,016,483</b>	<b>112,510</b>	<b>4,211,101</b>	<b>4,383,820</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		81,019	3,882,760	105,467	4,069,246	3,649,204
<b>TOTAL EXPENDITURE</b>	7	<b>81,019</b>	<b>3,882,760</b>	<b>105,467</b>	<b>4,069,246</b>	<b>3,649,204</b>
<b>NET INCOME BEFORE TRANSFERS</b>						
Transfers between Funds	17	1,089	133,723	7,043	141,855	734,616
		-	(126,919)	126,919	-	-
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		1,089	6,804	133,962	141,855	734,616
Actuarial losses on defined benefit pension schemes	21	-	(514,000)	-	(514,000)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,089</b>	<b>(507,196)</b>	<b>133,962</b>	<b>(372,145)</b>	<b>734,616</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		477,000	(69,879)	7,656,617	8,063,738	7,329,122
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>478,089</b>	<b>(577,075)</b>	<b>7,790,579</b>	<b>7,691,593</b>	<b>8,063,738</b>

**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08324412**

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

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	13		7,790,579		7,656,617
<b>CURRENT ASSETS</b>					
Debtors	14	233,838		92,092	
Cash at bank and in hand		1,528,065		1,271,887	
		<u>1,761,903</u>		<u>1,363,979</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(711,163)</u>		<u>(354,760)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,050,740</u>		<u>1,009,219</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,841,319</u>		<u>8,665,836</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(71,726)</u>		<u>(86,098)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>8,769,593</u>		<u>8,579,738</u>
Defined benefit pension scheme liability	21		<u>(1,078,000)</u>		<u>(516,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>7,691,593</u></u>		<u><u>8,063,738</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	500,925		446,121	
Restricted fixed asset funds	17	7,790,579		7,656,617	
Restricted funds excluding pension liability		<u>8,291,504</u>		<u>8,102,738</u>	
Pension reserve		<u>(1,078,000)</u>		<u>(516,000)</u>	
Total restricted funds			<u>7,213,504</u>		<u>7,586,738</u>
Unrestricted funds	17		<u>478,089</u>		<u>477,000</u>
<b>TOTAL FUNDS</b>			<u><u>7,691,593</u></u>		<u><u>8,063,738</u></u>

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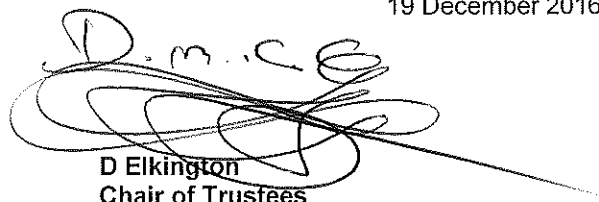
THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST  
(A company limited by guarantee)

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BALANCE SHEET (continued)  
AS AT 31 AUGUST 2016

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The financial statements were approved by the Trustees, and authorised for issue, on 19 December 2016 and are signed on their behalf, by:



D Elkington  
Chair of Trustees

The notes on pages 23 to 46 form part of these financial statements.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>381,608</u>	<u>525,319</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,489	317
Purchase of tangible fixed assets		(239,429)	(645,178)
Capital grants from DfE/EFA		112,510	458,777
<b>Net cash used in investing activities</b>		<u>(125,430)</u>	<u>(186,084)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>256,178</b>	<b>339,235</b>
Cash and cash equivalents brought forward		<u>1,271,887</u>	<u>932,652</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,528,065</u></u>	<u><u>1,271,887</u></u>



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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

The Phoenix Family of Schools Academy Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of The Phoenix Family of Schools Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Phoenix Family of Schools Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

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

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

**1.4 Expenditure**

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

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

Charitable activities and Governance costs are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

On 1 November 2016 the Academies within the Trust transferred into The Boston Witham Academies Federation.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

The freehold land and buildings at the Boston Park Academy and the Gosberton Academy are owned by the Academy Trust and are included in these accounts using valuations carried out by the EFA for the Whole of Government Accounts, as at 31 March 2013.

The land and buildings at the Fishtoft Academy are owned by The Official Custodian for Charities on behalf of The Fishtoft Educational Foundation, and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements.

The freehold land and buildings at Boston Pioneers Free School Academy are owned by the Academy Trust and are included in these accounts at cost as the site was newly built.

The Academy incurs significant repair and replacement costs such that the Governors believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged.

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Freehold property	-	Not depreciated
Furniture & equipment	-	10% straight line
Computer equipment	-	10-33% straight line

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Interest receivable**

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

**1.8 Operating leases**

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

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**1.11 Liabilities and provisions**

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

**1.12 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Academy Trust 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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**THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

As explained in note 1.6 above, the Academy incurs significant repair and replacement costs such that the Trustees believe the property's residual value is not materially different to the cost. Accordingly no depreciation is charged.

The land and buildings at the Fishtoft Academy are owned by The Official Custodian for Charities on behalf of The Fishtoft Educational Foundation, and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements.

THE PHOENIX FAMILY OF SCHOOLS ACADEMY TRUST  
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Capital grants	-	-	112,510	112,510	458,777
Donations	14,924	-	-	14,924	28,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<u>14,924</u>	<u>-</u>	<u>112,510</u>	<u>127,434</u>	<u>486,950</u>

In 2015, of the total income from donations and capital grants, £28,173 was to unrestricted funds and £458,777 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	3,402,456	3,402,456	3,096,460
Start Up Grant	-	78,000	78,000	232,500
Other DfE/EFA grants	-	412,855	412,855	365,858
	<hr/>	<hr/>	<hr/>	<hr/>
	-	3,893,311	3,893,311	3,694,818
<b>Other government grants</b>				
Local authority grants	-	123,172	123,172	125,965
	<hr/>	<hr/>	<hr/>	<hr/>
	-	123,172	123,172	125,965
<b>Other funding</b>				
Catering income	28,390	-	28,390	22,145
Trips and other income	35,114	-	35,114	51,625
	<hr/>	<hr/>	<hr/>	<hr/>
	63,504	-	63,504	73,770
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>63,504</u>	<u>4,016,483</u>	<u>4,079,987</u>	<u>3,894,553</u>

In 2015, of the total income from charitable activities, £73,770 was to unrestricted funds and £3,820,783 was to restricted funds.



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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Hire of facilities	2,191	-	2,191	2,000

In 2015, of the total income from other trading activities, £2,000 was to unrestricted funds and £ NIL was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest	1,489	-	1,489	317

In 2015, of the total investment income, £ 317 was to unrestricted funds and £ NIL was to restricted funds.

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**6. CHARITABLE ACTIVITIES**

	2016 £	2015 £
<b>DIRECT COSTS</b>		
Wages and salaries	1,986,588	1,736,648
National insurance	138,525	110,797
Pension cost	320,490	269,126
Depreciation	75,316	50,486
Other direct costs	326,569	309,118
	2,847,488	2,476,175
<b>SUPPORT COSTS</b>		
Wages and salaries	406,537	328,831
National insurance	16,782	14,427
Pension costs	67,818	62,134
Depreciation	30,151	14,969
Technology costs	64,057	46,365
Premises costs	254,883	296,156
Other support costs	347,321	358,808
Governance costs	34,209	51,339
	1,221,758	1,173,029
	4,069,246	3,649,204

**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	2,445,603	-	401,885	2,847,488	2,476,175
Support costs	491,137	254,883	475,738	1,221,758	1,173,029
	2,936,740	254,883	877,623	4,069,246	3,649,204
	2,936,740	254,883	877,623	4,069,246	3,649,204

In 2016, of the total expenditure, £81,019 (2015 - £124,252) was to unrestricted funds and £3,988,227 (2015 - £3,524,952) was to restricted funds.

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

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	105,467	65,455
Auditors' remuneration - audit	9,550	9,200
Auditors' remuneration - other services	900	1,350
Internal audit costs	3,575	4,675
Operating lease rentals	-	2,682
	<u>                    </u>	<u>                    </u>

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**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,240,451	1,991,344
Social security costs	155,307	125,224
Operating costs of defined benefit pension schemes	388,308	331,260
	<u>2,784,066</u>	<u>2,447,828</u>
Supply teacher costs	61,552	38,749
Staff restructuring costs	91,122	36,000
	<u><u>2,936,740</u></u>	<u><u>2,522,577</u></u>

Staff restructuring costs comprise:

	2016 £	2015 £
Redundancy payments	<u>91,122</u>	<u>36,000</u>

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

	2016 No.	2015 No.
Teachers	38	33
Administration and Support	83	82
Management	6	6
	<u>127</u>	<u>121</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

The above bands are based upon annualised salary figures.

The above employee participated in the Teachers' Pension Scheme.

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015 - £28,400).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £359,043 (2015 - £345,748).

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

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**10. CENTRAL SERVICES**

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Audit and accountancy services
- Central staff salaries

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

The Academy Trust charges for these services based upon each academy's proportion of the total DfE/EFA revenue grants received by the Academy Trust.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Boston Park Academy	154,910	169,243
Gosberton Academy	48,273	53,932
Fishtoft Academy	36,774	42,525
Boston Pioneers Free School Academy	75,952	70,651
	<u>315,909</u>	<u>336,351</u>
Total		

**11. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2016	2015
		£	£
K Duke, Former Accounting Officer and Trustee	Remuneration	40,000-45,000	60,000-65,000
	Pension contributions paid	5,000-10,000	5,000-10,000
D Tebbutt, Former Staff Trustee	Remuneration	20,000-25,000	45,000-50,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year ended 31 August 2016, expenses totalling £1,317 (2015 - £NIL) were reimbursed to 2 Trustees (2015 - none).

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**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture & equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	7,206,495	165,910	383,592	7,755,997
Additions	114,590	40,020	84,819	239,429
At 31 August 2016	<u>7,321,085</u>	<u>205,930</u>	<u>468,411</u>	<u>7,995,426</u>
<b>Depreciation</b>				
At 1 September 2015	-	20,788	78,592	99,380
Charge for the year	-	18,799	86,668	105,467
At 31 August 2016	<u>-</u>	<u>39,587</u>	<u>165,260</u>	<u>204,847</u>
<b>Net book value</b>				
At 31 August 2016	<u>7,321,085</u>	<u>166,343</u>	<u>303,151</u>	<u>7,790,579</u>
At 31 August 2015	<u>7,206,495</u>	<u>145,122</u>	<u>305,000</u>	<u>7,656,617</u>

The Academy Trust's transactions relating to land and buildings included:

- £76,350 remodelling works at Boston Park Academy;
- £9,277 lighting works at Fishtoft Academy;
- £8,417 lighting works at Gosberton Academy;
- £20,546 lighting works at Boston Park Academy.

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	271	2,677
VAT recoverable	86,348	19,797
Prepayments and accrued income	147,219	69,618
	<u>233,838</u>	<u>92,092</u>

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

	2016 £	2015 £
Trade creditors	329,923	58,322
Other taxation and social security	43,631	32,639
Other creditors	199,232	11,908
Accruals and deferred income	138,377	251,891
	711,163	354,760
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	94,356	80,887
Resources deferred during the year	59,525	94,356
Amounts released from previous years	(94,356)	(80,887)
Deferred income at 31 August 2016	59,525	94,356

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meal income relating to the 2016/17 academic year.

Included within other creditors falling due within one year is £6,750 owed to the EFA in respect of loans relating to Condition Improvement Funds. The loans are interest-free and are due for repayment by September 2021.

Also included within other creditors falling due within one year is £14,727 in respect of a loan from Lincolnshire County Council. Interest is charged at 2.2%, and the loan is due for repayment by February 2022.

**16. CREDITORS:  
Amounts falling due after more than one year**

	2016 £	2015 £
Other creditors	71,726	86,098

Included within other creditors falling due after more than one year is £18,994 owed to the EFA in respect of loans relating to Condition Improvement Funds. The loans are interest-free and are due for repayment by September 2021.

Also included within other creditors falling due within one year is £52,732 in respect of a loan from Lincolnshire County Council. Interest is charged at 2.2%, and the loan is due for repayment by February 2022.

Included in other creditors above is £12,631 (2015 - £27,274) which is due for repayment after more than five years from the balance sheet date.

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	477,000	82,108	(81,019)	-	-	478,089
<b>Restricted funds</b>						
General Annual Grant (GAG)	446,121	3,402,456	(3,220,733)	(126,919)	-	500,925
Start Up Grant	-	78,000	(78,000)	-	-	-
Other DfE/EFA grants	-	412,855	(412,855)	-	-	-
Other Government grants	-	123,172	(123,172)	-	-	-
Pension reserve	(516,000)	-	(48,000)	-	(514,000)	(1,078,000)
	<u>(69,879)</u>	<u>4,016,483</u>	<u>(3,882,760)</u>	<u>(126,919)</u>	<u>(514,000)</u>	<u>(577,075)</u>
<b>Restricted fixed asset funds</b>						
Transfer from former schools	2,815,000	-	-	-	-	2,815,000
EFA capital grants	3,775,942	37,510	(57,086)	-	-	3,756,366
Other Government grants	763,181	75,000	(2,826)	-	-	835,355
Capital expenditure from GAG	302,494	-	(45,555)	126,919	-	383,858
	<u>7,656,617</u>	<u>112,510</u>	<u>(105,467)</u>	<u>126,919</u>	<u>-</u>	<u>7,790,579</u>
Total restricted funds	<u>7,586,738</u>	<u>4,128,993</u>	<u>(3,988,227)</u>	<u>-</u>	<u>(514,000)</u>	<u>7,213,504</u>
Total of funds	<u><u>8,063,738</u></u>	<u><u>4,211,101</u></u>	<u><u>(4,069,246)</u></u>	<u><u>-</u></u>	<u><u>(514,000)</u></u>	<u><u>7,691,593</u></u>

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

**Unrestricted Funds**

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. These are not currently designated for particular purposes.

**Restricted Fixed Asset Funds**

Transfer from former schools represents the land, buildings and assets transferred to the Academy upon conversion.



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

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

**Restricted Revenue Funds**

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other DfE/EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education of pupils from a disadvantaged background.

Other Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the Trust to assist with the pupils' education.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Material transfers between funds represent the use of recurrent income to fund capital expenditure.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Boston Park Academy	752,247	666,687
Gosberton Academy	33,357	96,058
Fishtoft Academy	89,697	74,787
Boston Pioneers Free School Academy	103,713	85,589
Total before fixed asset fund and pension reserve	<u>979,014</u>	<u>923,121</u>
Restricted fixed asset fund	7,790,579	7,656,617
Pension reserve	(1,078,000)	(516,000)
Total	<u><u>7,691,593</u></u>	<u><u>8,063,738</u></u>

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

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Boston Park Academy	1,233,276	219,084	44,483	405,441	1,902,284	1,705,866
Gosberton Academy	400,887	83,752	22,695	180,376	687,710	700,307
Fishtoft Academy	271,648	61,379	14,025	96,107	443,159	469,928
Boston Pioneers Free School Academy	549,893	116,821	30,388	233,524	930,626	707,648
	<u>2,455,704</u>	<u>481,036</u>	<u>111,591</u>	<u>915,448</u>	<u>3,963,779</u>	<u>3,583,749</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	7,790,579	7,790,579	7,656,617
Current assets	478,089	1,283,814	-	1,761,903	1,363,979
Creditors due within one year	-	(711,163)	-	(711,163)	(354,760)
Creditors due in more than one year	-	(71,726)	-	(71,726)	(86,098)
Provisions for liabilities and charges	-	(1,078,000)	-	(1,078,000)	(516,000)
	<u>478,089</u>	<u>(577,075)</u>	<u>7,790,579</u>	<u>7,691,593</u>	<u>8,063,738</u>

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

	2016	2015
	£	£
Net income for the year (as per Statement of financial activities)	141,855	734,616
<b>Adjustment for:</b>		
Depreciation charges	105,467	65,455
Dividends, interest and rents from investments	(1,489)	(317)
(Increase)/decrease in debtors	(141,746)	994,677
Increase/(decrease) in creditors	342,031	(854,335)
Capital grants from DfE and other capital income	(112,510)	(458,777)
Defined benefit pension scheme cost less contributions payable	28,000	38,000
Defined benefit pension scheme finance cost	20,000	6,000
<b>Net cash provided by operating activities</b>	<b>381,608</b>	<b>525,319</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016	2015
	£	£
Cash in hand	1,528,065	1,271,887
<b>Total</b>	<b>1,528,065</b>	<b>1,271,887</b>

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**21. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £37,917 were payable to the schemes at 31 August 2016 (2015 - £nil) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £211,137 (2015 - £152,791).

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**21. PENSION COMMITMENTS (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £194,000 (2015 - £185,000), of which employer's contributions totalled £151,000 (2015 - £143,000) and employees' contributions totalled £43,000 (2015 - £42,000). The agreed contribution rates for future years are 20.9% for employers and variable % 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.  
Lincolnshire Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.60 %	4.10 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Commutation of pensions to lump sums	63.00 %	63.00 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.4	24.4
Retiring in 20 years		
Males	24.5	24.5
Females	26.8	26.8

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**21. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	785,000	505,000
Debt instruments	132,000	87,000
Property	102,000	81,000
Total market value of assets	<u>1,019,000</u>	<u>673,000</u>

The actual return on scheme assets was £29,000 (2015 - £14,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(179,000)	(181,000)
Net interest cost	(20,000)	(6,000)
Total	<u>(199,000)</u>	<u>(187,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,189,000	947,000
Current service cost	179,000	181,000
Interest cost	49,000	39,000
Contributions by employees	43,000	42,000
Actuarial losses/(gains)	638,000	(19,000)
Benefits paid	(1,000)	(1,000)
Closing defined benefit obligation	<u>2,097,000</u>	<u>1,189,000</u>

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**21. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	673,000	475,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	12,000
Interest income	29,000	21,000
Actuarial gains and (losses)	124,000	(19,000)
Contributions by employer	151,000	143,000
Contributions by employees	43,000	42,000
Benefits paid	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>1,019,000</u>	<u>673,000</u>

**22. MEMBERS' LIABILITY**

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

**23. RELATED PARTY TRANSACTIONS**

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

Trustees' remuneration is detailed in Note 11.

No reportable related party transactions took place in the period of account.

**24. POST BALANCE SHEET EVENTS**

On 1 November 2016 the Academies within the Trust transferred into The Boston Witham Academies Federation.

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**25. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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