Registered number: 08137486

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST
(A company limited by guarantee)

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BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Church of England Central Education Trust (CECET)
C Hopkins (CECET appointed)
Rev'd H Bishop (CECET appointed)
J Sohal, The Holte School
D Tonks

Trustees

D Tonks
J Roberts
R Everitt
S Rayner
S Bailey
J Proctor
Rev J Trood
J Sohal
C Howard (resigned 16 May 2017)
P Mills (appointed 3 November 2016)
L Clarke-Nivore (appointed 31 October 2016, resigned 30 October 2017)
A Orlik (appointed 12 September 2016)
D Smith, Principal and Accounting Officer (appointed 1 September 2016)
S Wedgwood (appointed 1 September 2016, resigned 31 August 2017)
K Jones (appointed 9 October 2017)
Rev'd H Bishop, Chair (appointed 1 September 2017)

Company registered number

08137486

Company name

Blue Coat Church of England Academy (Walsall) Trust

Principal and registered office

Birmingham Street
Walsall
West Midlands
WS1 2ND

Senior management team

D Smith, Principal (from 1 September 2016)
J Hares, Vice Principal
K Patel, Assistant Principal
E Perry, Assistant Principal
C Everitt, Assistant Principal (from 1 January 2017)
D Plant, Assistant Principal
D Deeming, Business Manager (from 22 May 2017)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditors

PKF Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Bankers

Lloyds Bank Plc
2nd Floor
125 Colmore Row
Birmingham
B3 3SF

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the Academy for the purposes of thee Companies Act) present their annual report together with the audited financial statements of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Walsall. It has a pupil capacity of 900 and had a roll of 781 (705 Y7-11) in the school census January of 2017.

Structure, governance and management

a. 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 documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Blue Coat Church of England Academy (Walsall) Trust and are also the directors of the Charitable Company for the purpose of Company law.

The Trustees of Blue Coat Church of England Academy (Walsall) Trust are also the directors of the charitable company for the purpose of Company law.

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

b. Members' liability

The members of the Charitable Company are:

Church of England Central Education Trust (Co. reg 08018276) (CECET)
2 persons / corporate bodies appointed by CECET
Head Teacher of Holte School
Chair of Governors

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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Govenors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The sum insured for Libel and Slander is £2,000,000 and for Governors' Liability £5,000,000.

d. Method of recruitment and appointment or election of Trustees

The Articles of Association require there to be a minimum of 7 Foundation Trustees of whom (i) 6 shall be appointees of the Church of England Central Education Trust and (ii) 1 incumbent ex-officio.

The Principal shall be treated for all purposes as being an ex-officio Trustee.

The Members may appoint up to 1 Staff Trustee. The Staff Trustee is elected by the staff currently employed by the Academy Trust. Staff Trustee vacancies are advertised on the staff noticeboards and communicated via staff briefings.

Up to 2 Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

The Trustees with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Trustees for a term not exceeding four years, and otherwise upon such conditions as they shall think fit. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being co-opted by the Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Principal).

The Secretary of State may appoint additional Trustees as he/she thinks fit (after consultation with the Diocesan Board of Education) if he/she has given the Trustees a warning notice, and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The term of office for any Trustee (other than Co-opted Trustees) shall be 4 years, save that this time limit shall not apply to the Principal or the Incumbent subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Governing Body will give consideration to the skills mix of the Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

e. Policies and procedures adopted for the induction and training of Trustees

All new Trustees will be given a tour of the Academy and the chance to meet with staff. All Trustees are provided with copies of polices, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally very few new Trustees a year, inductions tends to be done informally and are tailored specifically to the individual. The Governing Body are encouraged to participate in seminars and workshops held by the Local Authority and to attend training courses on matters that provide regular update on practice, legislation and guidance.

f. Organisational structure

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage decision making at all levels. The Principal is the Accounting Officer.

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

The Senior Leadership Team is made up of the Principal, one Vice Principal, four Assitant Principals and School Business Manager. These leaders direct the Academy at an executive level implementing the policies laid down

by the Trustees and reporting back to them. As a group, the senior leaders are responsible for authorisation of spending within agreed budgets.

The Governing Body of the Academy meets a minimum of six times a year. No sub-committees operated in the academic year 2016/17.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular to those relating to the teaching, provision of facilities and other operational areas of the Academy, including its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and academy trips), and in relation to the control of finance. They have introduced systems including operational procedures (e.g. vetting of staff and visitors, supervision of academy grounds) and internal financial controls to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Discussions surrounding the key risks are undertaken within a variety of forums including full Governing Body meetings, appropriate sub-committee meetings and management team meetings.

g. Arrangements for setting pay and remuneration of key management personnel

Decisions in relation to the Principal and Vice Principal posts are reviewed and implemented in accordance with the Trust's Pay Policy by the Governing Body and are included in the Board minutes.

h. Connected organisations, including related party relationships

Whilst the Academy is a stand-alone academy responsible for its own affairs, it is supported by two sponsors: The Church of England Central Education Trust (CECET) as its lead sponsor, and Holte school at its other sponsor. The sponsorship arrangement has enabled the Academy to achieve significant success in promoting closer working arrangements between the Academy staff and its sponsors, which in turn has contributed significantly to school improvements and the raising of standards within the Academy.

Objectives and Activities

a. Objects and aims

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

The principal aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become good and emotionally well-balanced young people.

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere;
- To provide an environment that enables students to learn and teachers to teach effectively;
- To promote and recognise high standards of achievement in all spheres of activity;
- To help students form successful relationships characterised by understanding others, tolerance, trust and self- respect;
- To broaden horizons and to promote an interest in and respect for the local, national and global communities and their cultures;
- To develop physical emotional health and a sense of the importance of morality and personal responsibility;
- To encourage equality of opportunity for all; and
- To develop an understanding of our responsibility as global citizens to live in a sustainable way.

b. Objectives, strategies and activities

Key influences on the Academy Trust's Development plan for the year under review were the significant challenges and opportunities arising from national changes in education policy and funding.

Key activities and targets have included the following:

- Reshape the curriculum to meet the needs of learners;
- Ensure the staffing structure is updated to allow the Academy to meet the needs of learners;
- Continue to raise attainment and increase the rate of progress;
- Improve Literacy skills of learners.
- To further improve the quality of learning and teaching;
- Improve student attendance and punctuality;
- Increase student recruitment into year 7 and other years and improve retention and additional recruitment into the Sixth Form; and
- To further build the capacity of middle leaders to facilitate career progression and enable them to make a more significant contribution to school improvement.

c. Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy Trust provides education to children and young people that is:

- Balanced and broadly based;
- Promotes the spiritual, moral, cultural, mental and physical development of students at the Academy and of society;
- Prepares students at the Academy for the opportunities, responsibilities and experiences of later life; and
- Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

Strategic report

Achievements and performance

a. Key performance indicators

Key Stage 4

Progress 8 Score	+0.03 (C.I. -0.21 to 0.26)
Attainment 8 Score	35.8
Grade 4+ (Good Pass) English & Maths	41%
Grade 5+ (Strong Pass) English & Maths	19%
Grade 4+ EBacc	11%
Grade 5+ EBacc	8%
Entering EBacc	42%
Staying in Education/entering employment	95%
Average KS2 Prior Attainment	4.16

Disadvantaged Pupils and Narrowing the Gap

Average English Progress 8	2016	2017
School	-0.026	0.05
Disadvantaged	-0.274	-0.26
Other	0.252	0.53
Gap	0.526	0.79

Average English Attainment 8 Grade	2016	2017
School	4.46	4.0
Disadvantaged	4.18	3.6
Other	4.75	4.5
Gap	0.57	0.9

Average Maths Progress 8	2016	2017
School	0.096	0.22
Disadvantaged	-0.078	-0.21
Other	0.290	0.89
Gap	0.368	-1.1

Average Maths Attainment 8 Grade	2016	2017
School	3.95	3.5
Disadvantaged	3.64	2.9
Other	4.26	4.2
Gap	0.62	-1.3

Progress 8 Score	2016	2017
School	-0.012	0.03
Disadvantaged	-0.266	-0.30
Other	0.273	0.54
Gap	0.539	0.84

Attainment 8 Grade	2016	2017
School	4.13	3.6
Disadvantaged	3.74	3.2
Other	4.51	4.2
Gap	0.77	1.0

Grade 4+ (Good Pass) English & Maths	2016	2017
School	69.0%	41.0%
Disadvantaged	61.9%	30.0%
Other	76.2%	55.0%
Gap	14.3%	25.0%

Grade 5+ (Strong Pass) English & Maths	2016	2017
School	42.9%	19.0%
Disadvantaged	31.0%	12.0%
Other	54.8%	31.0%
Gap	23.8%	19.0%

Historical Data-Disadvantaged Pupils and Narrowing the Gap

English Value Added	2012	2013	2014	2015
School	997.4	999.2	999	998.4
Disadvantaged	995.5	997	999	997.6
Other	998.9	1001	999.1	999.4
Gap	-3.4	-4	-0.1	-1.8

Mathematics Value Added	2012	2013	2014	2015
School	1000.7	1002.1	1002	998.8
Disadvantaged	998.8	1000.7	1001.7	998.0
Other	1002.5	1003.6	1003.6	999.7
Gap	-3.7	-2.9	-2.9	-1.7

Key Stage 5

A level	
Progress Score	-0.16 (C.I. -0.39 to 0.06)
Average Grade	D+
Academic Qualifications	
Progress Score	-0.16 (C.I. -0.39 to 0.06)
Average Grade	D+
Applied General Qualifications	
Progress Score	+0.62 (C.I. 0.14 to 1.09) Above Average
Average Grade	Dist*-
Tech Levels	
Average Grade	Dist+
English & Maths Level 2	
Progress in English	0.14
Progress in Mathematics	-0.41

The change in emphasis towards the judgement of school performance based on the Progress 8 measure recognises the fact that although our pupils prior attainment at Key Stage 2 is in the bottom 1% nationally when they join Blue Coat, they make progress at the Academy in line with national expectations.

b. 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 Accounting Policies.

Whilst the Academy has net liabilities of £138,469, it does have net assts excluding the pension liability of £1,634,531 and net current assets of £585,675. The Academy has sufficient reserves to settle its liabilities (including pension contributions) as they fall due.

c. Review of activities

Capital Investment In Buildings

During the year under review, the Academy successfully bid for funding to replace the roofs on the Main and Grove site buildings, through the Condition Improvement Fund. The basis of the work was to address significant issues within both buildings which were caused by the poor condition of the roofs. Work commenced in May 2017 and is on-going.

During Summer 2017, Governors approved expenditure to carry out works within the Academy building to accommodate the realignment of teaching spaces to meet the demands of the new curriculum model. The work was completed on time and allowed the Academy to begin operating the new timetable in September 2017.

The Future

The Academy has a rolling programme of refurbishment, both to the fabric of the building and internal renovations to be undertaken in the following years.

From the Academy's revenue budget there have been no major funds set aside for building works.

The Academy has been awarded funds for the refurbishment of the science block through the Priority Schools Building Programme. The Education and Skills Funding Agency engaged with the Academy in May 2017 to begin the feasibility process towards tendering the work to replace or refurbish the science block. Indications suggest that once agreed work on this project is likely to begin in late 2018 or early 2019. There is currently no further information available as to likely proposals for this project.

In addition the Governors have made a decision to once again employ Concept Education to formulate a bid for specific academy funding, Condition Improvement Fund (CIF). This bid will hopefully secure funds to replace windows on the Grove site, to improve energy efficiency and to improve the working environment inside the building with better temperature and ventilation management.

a. Financial review

The majority of the Academy's income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year the total expenditure of £5,174,840 (2016: £4,973,582) was signifcantly more than the grant funding from the ESFA together with other incoming resources (excluding grants of capital nature). The excess of expenditure over income of the Academy for the year excluding the restricted fixed asset funds and before transfers for assets purchased from revenue was £306,930 (2016: £135,817).

During the year, the major item of expenditure has been staffing. Staffing is maintained at a level that ensures a stable and well resourced learning environment, providing sufficient resources to meet the work load of the Academy and ensuring that the development needs of the students are met.

b. Reserves policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. We have determined that the appropriate level is £300,000. This will provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and the pension reserve) is £562,675 (2016: £798,318).

c. Investment policy and performance

The Trustees have the ability to invest the funds of the Academy as they see fit. Currently the Academy does not have any long term investments with the cash reserves of the Academy being held in bank accounts.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as a part of a planned surplus for a specific project, Governors may consider the investment of these funds in a deposit account to generate additional income in interest.

d. Principal risks and uncertainties

The Trustees have identified the following princial risks and uncertainties facing the Academy Trust.

Financial Risk
The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.

Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

Failures in Governance and/or Management
Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risk
The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of students.

Trustees continue to give due consideration to other aspects of the Academy's activities where there could be a reputational risk, including discipline, safeguarding Health and Safety etc.

Safeguarding and Child Protection Risks
Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in the Academy and in training and support, in order to protect the vulnerable young people in its care.

Significant Changes in Staff
Trustees have put in place a clear succession planning policy, and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

e. Financial risk management objectives and policies

The Academy Trust's activities expose it primarily to cash flow risk. The Governing Body continually monitors cash flows to ensure the Academy Trust has sufficient funds available to meet debts as they fall due. The Governing Body maintains significant cash reserves at all times.

The Governing Body acknowledges the defined benefit scheme deficit scheme which is set out at Note 21 to the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

Plans for future periods

a. Future developments

After four years of Academy status, the academy plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and student skills. This will include the development of a more inclusive post-16 curriculum offer.

The Academy led by the Principal continues to build close links with local feeder primary Church of England schools.

The Academy continues to develop the curriculum for the benefit of all students and amend accordingly to best suit each cohort. The Academy will continue to place an emphasis on business and enterprise opportunities within the curriculum for all students.

Funds held as custodian

There are no funds held as a custodian trustee on behalf of other.

Disclosure of information to auditor

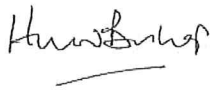
Insofar as the Trustees are aware:

- 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 auditor is aware of that information.

Auditor

On 25 October 2017 Dains LLP resigned as the academy's auditors. PKF Cooper Parry Group Limited were appointed to fill the resulting vacancy. PKF Cooper Parry Group Limited have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



Rev'd H Bishop
Chair of Governors

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Blue Coat Church of England Academy (Walsall) 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Blue Coat Church of England Academy (Walsall) 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 9 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
D Tonks	8	9
J Roberts	8	9
R Everitt	8	9
S Rayner	8	9
S Bailey	6	9
J Proctor	6	9
Rev J Trood	9	9
J Sohal	6	9
C Howard	0	6
P Mills	7	8
L Clarke-Nivore	2	9
A Orlik	6	9
D Smith, Principal and Accounting Officer	9	9
S Wedgwood	6	9
K Jones	1	1
Rev'd H Bishop, Chair	0	0

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

Improving Educational Results:
We have ensured and continue to ensure targeting of resources to key subject areas such as Literacy, Numeracy and Science. The results of extensive reviews of curriculum and staffing completed during the year 2016/17 have now been fully implemented.

Focusing on Individual Pupils:

Targeting resources in line with the School Improvement Plan (SIP) priorities, including:

- Continued development of specialist TAs to effectively support the increasingly complex needs of the pupil community.
- Targeted funds, for example Pupil Premium, Year 7 Catch-Up and Bursaries, are ring-fenced and used specifically to improve performance, attendance and behaviour by those students identified to receive funding via these sources.
- Where a particular area for improvement is highlighted, extra resources are targeted towards this initiative. The leadership team and departmental heads monitor the area concerned using performance indicators such as examination results, attendance levels and behaviour reports, and report their findings to the Governing Body and staff, parents and students at regular meetings.
- The Academy runs Breakfast, Lunch and After-School clubs as well as a Summer School Club and a Year 7 trip to the Pioneer Centre to meet particular needs of pupils; ensuring support that is available is relevant to their needs.
- Additional staffing in English, Mathematics and Science to allow smaller class sizes.

The effectiveness of these strategies has resulted in an upward trend in exam results as detailed by the charts included in the trustees report.

Continued Financial Governance and Oversight:

During 2016/17, the Academy, a single Governing Body without sub-committees, were responsible for determining the Academy's financial priorities and linking them to the long term vision and directions of the Academy.

- To approve the Academy's annual Budget.
- To ensure that the Academy operates within the Financial Regulations set out in the Academies Financial Handbook.
- To ensure that ring-fenced funding streams, such as Pupil Premium, are used as directed and to maximum effect.
- To approve capital expenditure in line with the Budget and the Academy's development plans.
- To ensure, as far as is practical, that Health & Safety issues are appropriately prioritised.
- To ensure sufficient funds are available for staff pay increments and increases.
- Proposals or improvements which entail significant expenditure identified above can only be met if the Academy stands on a sound financial base. Through effective control and management of our finances, we were able to meet targets for improvements, invest in additional activities and managed to generate a surplus for the year.
- To ensure that the Academy is a going concern and will remain viable for the foreseeable future.

Better Purchasing:

Examples of steps taken to ensure value for money when purchasing include:

- Implementing a tender process for significant purchases and/or contracts, for example upgrade of ICT facilities, refurbishment of building.
- We buy into relevant traded services provided by our local authority where their expertise and 'bulk-buying powers' ensure high service delivery at attractive cost. This satisfies our requirements using economies of scale in an effective manner. Professional advice, for example, HR and Legal advice has been sought from the Local Authority when needed.

Better Income Generation:

- The Academy generates income in the region of £16,000 per annum from its lettings facilities.
- The Academy's banking arrangements ensure that where cash flow allows, monies are transferred into a higher interest account with immediate access to it's for funds for working capital requirements.
- The Sixth Form pupils continue to raise funds for their chosen charity of the year to provide benefit for the wider community.
- The whole school takes part in the annual Lent appeal to raise funds for a chosen charity.

GOVERNANCE STATEMENT (continued)

Reviewing controls and managing risks

- The Academy has prepared a risk register which is updated on a regular basis and reviewed by the Finance Committee and the Governing Body.
- Further actions taken to minimise risks include the purchase of an appropriate level of insurance cover following consultation with the Academy's insurance broker.
- The Governing Body meet every half term to review budgets, periodic income and expenditure reports to ensure both income and expenditure are in line with budgeted expectations.
- Major spending decisions for e.g. investment in capital works, staffing increments etc. are put forward to the Governing Body for their consideration and approval.
- The Academy has a clear scheme of delegation and authorisation limits. Payments to suppliers and employees are authorised by the Principal or the Budget holders

Lessons learned

- Whenever a resignation is accepted, an analysis is done to determine whether or not to replace the post like for like. The Governing Body consider both the short and long term implications of any proposal. Cover, in the interim, is provided by other Academy staff and cover supervisors to ensure the continuity of teaching and learning. The restructure of staffing during 2016/17 was designed to align staffing to meet the needs of the school, providing stability and security moving forward.
- We recognize the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

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's 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 Blue Coat Church of England Academy (Walsall) Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The Academy'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 Full Governing Board 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 not to appoint an internal auditor. However, the Trustees have appointed PKF Cooper Parry Group Limited, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- review of bank reconciliations
- testing of income systems

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

Review of Effectiveness

As Accounting Officer, the Principal 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 external auditor;
- the work of the executive managers within the Academy 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 Governing Body 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 7 December 2017 and signed on their behalf, by:

Rev'd H Bishop
Chair of Governors

D Smith
Accounting Officer

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

D J Smith

D Smith
Accounting Officer

Date: 7 December 2017

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

The Trustees (who act as governors of Blue Coat Church of England Academy (Walsall) 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2017 and signed on its behalf by:

Rev'd H Bishop
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

Opinion

We have audited the financial statements of Blue Coat Church of England Academy (Walsall) Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF Cooper Parry Group Limited

Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG
7 December 2017

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blue Coat Church of England Academy (Walsall) Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Blue Coat Church of England Academy (Walsall) Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Blue Coat Church of England Academy (Walsall) Trust's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

Conclusion

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

PKF Cooper Parry Group Limited

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

7 December 2017

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	**2,901**	**-**	**341,233**	**344,134**	15,526
Charitable activities:	3					
Funding for the academy trust's educational operations		**17,602**	**4,710,226**	**-**	**4,727,828**	4,711,802
Other trading activities	4	**31,989**	**-**	**-**	**31,989**	24,474
Investments	5	**3,775**	**-**	**-**	**3,775**	6,459
Total income		**56,267**	**4,710,226**	**341,233**	**5,107,726**	4,758,261
Expenditure on:						
Academy trust educational operations		**43,573**	**5,029,850**	**101,417**	**5,174,840**	4,973,582
Total expenditure	6	**43,573**	**5,029,850**	**101,417**	**5,174,840**	4,973,582
Net income / (expenditure) before transfers		**12,694**	**(319,624)**	**239,816**	**(67,114)**	(215,321)
Transfers between Funds	17	**-**	**(94,556)**	**94,556**	**-**	-
Net income / (expenditure) before other recognised gains and losses		**12,694**	**(414,180)**	**334,372**	**(67,114)**	(215,321)
Actuarial losses on defined benefit pension schemes	21	**-**	**(93,000)**	**-**	**(93,000)**	(596,000)
Net movement in funds		**12,694**	**(507,180)**	**334,372**	**(160,114)**	(811,321)
Reconciliation of funds:						
Total funds brought forward		**353,365**	**(1,125,047)**	**793,327**	**21,645**	832,966
Total funds carried forward		**366,059**	**(1,632,227)**	**1,127,699**	**(138,469)**	21,645

The notes on pages 27 to 45 form part of these financial statements.

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 08137486

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		**1,071,856**		793,327
Current assets					
Stocks	13	-		442	
Debtors	14	**357,869**		202,487	
Cash at bank and in hand		**699,192**		1,052,471	
		1,057,061		1,255,400	
Creditors: amounts falling due within one year	15	**(471,386)**		(457,082)	
Net current assets			**585,675**		798,318
Total assets less current liabilities			**1,657,531**		1,591,645
Creditors: amounts falling due after more than one year	16		**(23,000)**		-
Net assets excluding pension scheme liability			**1,634,531**		1,591,645
Defined benefit pension scheme liability	21		**(1,773,000)**		(1,570,000)
Total net (liabilities)/assets including pension scheme liabilities			**(138,469)**		21,645
Funds of the academy trust:					
Restricted income funds:					
Restricted income funds	17	**140,773**		444,953	
Restricted fixed asset funds	17	**1,127,699**		793,327	
Restricted income funds excluding pension liability		**1,268,472**		1,238,280	
Pension reserve		**(1,773,000)**		(1,570,000)	
Total restricted income funds			**(504,528)**		(331,720)
Unrestricted income funds	17		**366,059**		353,365
Total (deficit)/funds			**(138,469)**		21,645

The financial statements on pages 24 to 45 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

Rev'd H Bishop
Chair of Governors

The notes on pages 27 to 45 form part of these financial statements.

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	**(341,758)**	(7,234)
Cash flows from investing activities:			
Dividends, interest and rents from investments		**3,775**	6,459
Proceeds from the sale of tangible fixed assets		**8,150**	-
Purchase of tangible fixed assets		**(387,679)**	(148,891)
Capital grants from DfE/ESFA		**341,233**	15,526
Net cash used in investing activities		**(34,521)**	(126,906)
Cash flows from financing activities:			
Cash inflows from new borrowing		**23,000**	-
Net cash provided by financing activities		**23,000**	-
Change in cash and cash equivalents in the year		**(353,279)**	(134,140)
Cash and cash equivalents brought forward		**1,052,471**	1,186,611
Cash and cash equivalents carried forward	20	**699,192**	1,052,471

The notes on pages 27 to 45 form part of these financial statements.

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Blue Coat Church of England Academy (Walsall) Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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 which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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 academy trust occupies:
(a) land provided to it by the Local Authority under a 125-year lease;
(b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of:
(a) a figure is entered that reflects advice taken on the value of the lease;
(b) having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevent site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line

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.

1.6 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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1. Accounting Policies (continued)

1.8 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.

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 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.

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 Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 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.

1.14 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 with restrictions imposed by the funder and include grants from the Department for Education.

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The preparation of the financial statement in conformity with generally accepted accounting principals requires the Trustees to make the estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	2,901	-	-	2,901	-
Capital grants	-	-	341,233	341,233	15,526
	2,901	-	341,233	344,134	15,526
Total 2016	-	-	15,526	15,526	

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,295,878	4,295,878	4,064,194
Start Up Grants	-	1,520	1,520	201,039
Pupil Premium	-	328,964	328,964	301,031
Other DfE/ESFA Grants	-	52,935	52,935	101,268
	-	4,679,297	4,679,297	4,667,532
Other government grants				
Local Authority Grants	-	30,929	30,929	27,206
	-	30,929	30,929	27,206
	17,602	4,710,226	4,727,828	4,711,802
Total 2016	17,064	4,694,738	4,711,802	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings Income	**15,680**	**-**	**15,680**	16,479
Other Income	**16,309**	**-**	**16,309**	7,995
	31,989	**-**	**31,989**	24,474
Total 2016	24,474	-	24,474	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	**3,775**	**-**	**3,775**	6,459
Total 2016	6,459	-	6,459	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	**3,362,638**	**78,711**	**522,935**	**3,964,284**	3,943,747
Support costs	**695,547**	**275,595**	**239,414**	**1,210,556**	1,029,835
	4,058,185	**354,306**	**762,349**	**5,174,840**	4,973,582
Total 2016	3,669,081	370,882	933,619	4,973,582	

7. Analysis of expenditure by activities

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	**3,964,284**	**1,210,556**	**5,174,840**	4,973,582
Total 2016	3,943,747	1,029,835	4,973,582	

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities £	Total 2017 £	Total 2016 £
Staff costs	**695,547**	**695,547**	504,032
Net interest cost on pension	**34,000**	**34,000**	35,000
Travel and subsistence	**30,445**	**30,445**	23,064
Other support costs	**37,233**	**37,233**	40,861
Maintenance of premises	**43,268**	**43,268**	47,245
Maintenance of equipment	**11,108**	**11,108**	11,802
Cleaning costs	**88,878**	**88,878**	93,995
Operating leases	**15,741**	**15,741**	15,110
Rates	**15,804**	**15,804**	14,860
Water rates	**4,991**	**4,991**	22,994
Energy	**73,798**	**73,798**	64,886
Insurance	**28,480**	**28,480**	29,340
Catering costs	**93,554**	**93,554**	117,105
Governance costs	**37,709**	**37,709**	9,541
	1,210,556	**1,210,556**	1,029,835
At 31 August 2016	1,029,835	1,029,835	

8. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	**101,417**	94,788
Auditors' remuneration	**7,900**	7,700
Auditors' non audit remuneration	**4,550**	2,800
Operating lease rentals	**23,207**	28,124

9. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,012,191	2,940,663
Social security costs	251,226	245,039
Operating costs of defined benefit pension schemes	520,956	414,021
	3,784,373	3,599,723
Supply teacher costs	239,293	63,156
Staff restructuring costs	34,519	6,202
	4,058,185	3,669,081

Staff restructuring costs comprise:

Redundancy payments	34,519	6,202

Included in staff restructuring costs are non-statutory/ non-contractual severence payments totaling £34,519 (2016: £6,202) Individually, the payments were £10,178, £9,131 and £15,210 (2016: £6,202).

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

	2017 No.	2016 No.
Teachers	56	54
Support	54	61
Management	7	6
	117	121

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	0

The key management personnel of the academy trust comprise the trustee 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 £516,882 (2016: £537,020)

10. 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:

		2017 £	2016 £
D Smith (Principal from 1 September 2016)	Remuneration	**75,000-80,000**	-
	Pension contributions paid	**10,000-15,000**	-
R Everitt (Staff trustee)	Remuneration	**25,000-30,000**	30,000-35,000
	Pension contributions paid	**0-5,000**	0-5,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL Trustees).

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £936 (2016 - £936).

12. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	**578,643**	**16,000**	**117,579**	**299,490**	**1,011,712**
Additions	**358,258**	**-**	**1,336**	**28,085**	**387,679**
Disposals	**-**	**(16,000)**	**-**	**-**	**(16,000)**
At 31 August 2017	**936,901**	**-**	**118,915**	**327,575**	**1,383,391**
Depreciation					
At 1 September 2016	**25,522**	**5,067**	**56,650**	**131,146**	**218,385**
Charge for the year	**11,733**	**3,200**	**23,635**	**62,849**	**101,417**
On disposals	**-**	**(8,267)**	**-**	**-**	**(8,267)**
At 31 August 2017	**37,255**	**-**	**80,285**	**193,995**	**311,535**
Net book value					
At 31 August 2017	**899,646**	**-**	**38,630**	**133,580**	**1,071,856**
At 31 August 2016	553,121	10,933	60,929	168,344	793,327

13. Stocks

	2017 £	2016 £
Uniform and Stationery Stocks	-	442

14. Debtors

	2017 £	2016 £
Trade debtors	3,731	16,949
Other debtors	141,595	92,605
Prepayments and accrued income	212,543	92,933
	357,869	202,487

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	254,067	199,368
Other taxation and social security	74,959	66,195
Other creditors	93,083	94,861
Accruals and deferred income	49,277	96,658
	471,386	457,082

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	35,365	19,250
Resources deferred during the year	12,983	35,365
Amounts released from previous years	(35,365)	(19,250)
Deferred income at 31 August 2017	12,983	35,365

At the balance sheet date the Academy Trust was holding funds received in advance in relation to grant funding.

16. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	23,000	-

Other loans due after more than one year relate to a Salix loan which is provided on the following terms: zero interest, repayable over 5 years in equal installments.

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	353,365	56,267	(43,573)	-	-	366,059
Restricted funds						
General Annual Grant (GAG)	444,953	3,638,141	(3,847,765)	(94,556)	-	140,773
Other DFE/ESFA Grants	-	1,051,854	(1,051,854)	-	-	-
Local Auhority Grants	-	20,231	(20,231)	-	-	-
Pension reserve	(1,570,000)	-	(110,000)	-	(93,000)	(1,773,000)
	(1,125,047)	4,710,226	(5,029,850)	(94,556)	(93,000)	(1,632,227)
Restricted fixed asset funds						
DfE/ESFA Capital grants	782,394	341,233	(98,217)	94,556	-	1,119,966
Other capital grants	10,933	-	(3,200)	-	-	7,733
	793,327	341,233	(101,417)	94,556	-	1,127,699
Total restricted funds	(331,720)	5,051,459	(5,131,267)	-	(93,000)	(504,528)
Total of funds	21,645	5,107,726	(5,174,840)	-	(93,000)	(138,469)

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

Restricted general funds

This fund represents grants and other income received for the academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the academy's share of the pension laibility arising on the LGPS pension fund.

Restricted fixed asset fund

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The transfer between unrestricted funds and the restricted fixed asset fund represents capital additons in the year which have been funded from reserves.

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,071,857	1,071,857
Current assets	366,059	479,954	211,047	1,057,060
Creditors due within one year	-	(339,181)	(132,205)	(471,386)
Creditors due in more than one year	-	-	(23,000)	(23,000)
Provisions for liabilities and charges	-	(1,773,000)	-	(1,773,000)
	366,059	(1,632,227)	1,127,699	(138,469)

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(67,114)	(215,321)
Adjustment for:		
Depreciation charges	101,417	94,788
Dividends, interest and rents from investments	(3,775)	(6,459)
Profit on the sale of fixed assets	(417)	-
Decrease in stocks	442	258
Increase in debtors	(155,382)	(14,934)
Increase in creditors	14,304	97,960
Capital grants from DfE and other capital income	(341,233)	(15,526)
Defined benefit pension scheme cost less contributions payable	110,000	52,000
Net cash used in operating activities	(341,758)	(7,234)

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	699,192	1,052,471
Total	699,192	1,052,471

21. 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 Walsall Metropolitan Borough Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £74,208 were payable to the schemes at 31 August 2017 *(2016 - £94,861)* 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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £312,576 (2016 - ££298,361).

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).

21. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £136,000 (2016 - £135,000), of which employer's contributions totalled £104,000 (2016 - £103,000) and employees' contributions totalled £32,000 (2016 - £*32,000*). The agreed contribution rates for future years are 18.1% for employers and 5.7%-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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	**2.60 %**	2.20 %
Rate of increase in salaries	**4.20 %**	3.75 %
Rate of increase for pensions in payment / inflation	**2.70 %**	2.00 %
Inflation assumption (CPI)	**2.70 %**	2.00 %
Commutation of pensions to lump sums	**50.00 %**	50.00 %

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

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

Sensitivity analysis	**At 31 August 2017 £**	At 31 August 2016 £
Discount rate +0.1%	**66**	58
Discount rate -0.1%	**(68)**	(60)
Morality assumption - 1 year increase	**(91)**	(61)
Morality assumption - 1 year decrease	**89**	59
CPI rate +0.1%	**(55)**	(50)
CPI rate -0.1%	**53**	48

21. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	**678,000**	482,000
Bonds	**119,000**	126,000
Property	**78,000**	65,000
Cash and other liquid assets	**53,000**	52,000
Other - user input	**142,000**	88,000
Total market value of assets	**1,070,000**	813,000

The actual return on scheme assets was £149,000 (2016 - £*121,000*).

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

	2017 £	2016 £
Current service cost (net of employee contributions)	**180,000**	120,000
Net interest cost	**34,000**	35,000
Total	**214,000**	155,000
Actual return on scheme assets	**149,000**	121,000

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

	2017 £	2016 £
Opening defined benefit obligation	**2,383,000**	1,486,000
Current service cost	**180,000**	120,000
Actuarial losses	**108,000**	692,000
Interest cost	**53,000**	60,000
Employee contributions	**32,000**	32,000
Benefits paid	**(9,000)**	(7,000)
Change in demographic assumptions	**(16,000)**	-
Experience loss/(gain) on a defined benefit obligation	**112,000**	-
Closing defined benefit obligation	**2,843,000**	2,383,000

21. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	**813,000**	564,000
Return on plan assets	**19,000**	25,000
Actuarial gains	**130,000**	96,000
Contributions by employer	**104,000**	103,000
Employee contributions	**32,000**	32,000
Benefits paid	**(9,000)**	(7,000)
Other actuarial gains/(losses)	**(19,000)**	-
Closing fair value of scheme assets	**1,070,000**	813,000

22. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	**6,369**	16,183
Between 1 and 5 years	**10,898**	7,024
Total	**17,267**	23,207

23. Members' liability

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

24. Related party transactions

Owing to the nature of the academy'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's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account

Lichfield Diocesan Academies Services Limited

The Academy Trust purchased services from Lichfield Diocesan Academies Services Limited a 100% owned subsidiary of Lichfield Diocesan Board of Education who is a member of the parent company totalling £100,420 (2016: £187,540) during the period. There were no amounts outstanding at 31 August 2017 (2016: £Nil).

25. Controlling party

The largest and smallest group in which the results of the charitable company are consolidated is that headed by the Church of England Central Education Trust, a company registered in England and Wales. The consolidated accounts of this group are available for public and can be obtained from St Mary's House, The Close, Lichfield, WS13 7LD.