

BLUE COAT CHURCH OF ENGLAND ACADEMY (WALSALL) TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Church of England Central Education Trust (CECET)
C Hopkins (CECET appointed)
Rev'd H Bishop (CECET appointed) (appointed 1 September 2017)
J Sohal, The Holte School
D Tonks (deceased 24 July 2018)

Trustees

Rev'd H Bishop, Chair (appointed 1 September 2017)
J Roberts
R Everitt
S Rayner
S Bailey
D Tonks (deceased 24 July 2018)
J Sohal
Rev J Trood
A Orlik
P Mills
K Jones (appointed 9 October 2017)
L Clarke-Nivore (resigned 30 October 2017)
J Proctor (resigned 15 December 2017)
D Smith

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
J Hares, Vice Principal
C Everitt, Assistant Principal
K Patel, Assistant Principal
E Perry, Assistant Principal
K Pritchard, SENCO
D Deeming, Chief Finance Officer

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

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 837 (726 Y7-11) in the school census January of 2018.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing document of the academy trust.

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.

The charitable company is known as Blue Coat Church of England Academy (Walsall) Limited .

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors 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.

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

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 policies, 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, induction tends to be done informally and is tailored specifically to the individual. The Governing Body is encouraged to participate in seminars and workshops 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 Assistant 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. A Finance and Personnel Committee and Teaching and Learning Committee operated during the Autumn Term but were disbanded in favour of the Full Governing Body covering all functions.

Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular to those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and 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 and management team meetings.

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

g. Pay policy for 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. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	104

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £

Total cost of facility time	265
Total pay bill	4,239,309
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. 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 with a designated Church of England Religious character 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.

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TRUSTEES' REPORT (continued)
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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:

1. To improve and enhance the learning journey for all pupils
 - 1.1 Increase the level of responsibility pupils take for their own learning, fostering greater independence
 - 1.2 Develop a more consistent approach to providing high quality feedback to support learning
 - 1.3 Establish clear and challenging expectations of learning
 - 1.4 Develop the use of growth mindset and learning skills to underpin the curriculum and support learning
 - 1.5 Further enhance enrichment opportunities for pupils
2. To empower all staff to develop practice to maximise impact on the quality of teaching
 - 2.1 Further develop use of coaching to increase levels of peer to peer support and enhance the effectiveness of all staff
 - 2.2 Empower staff to take responsibility for their own professional development, increasing reflective and evaluative practice
 - 2.3 Increase effectiveness of line management to secure accountability through middle and senior leadership
 - 2.4 Implement clear strategies to promote the teaching of literacy across the curriculum
3. To ensure school systems, policies and procedures are co-ordinated to foster a positive culture of learning
 - 3.1 Ensure all staff understand core responsibilities and how these contribute to whole school effectiveness
 - 3.2 Develop clear expectations for the role of the form tutor and the use of tutor time.
 - 3.2 Improve communication with parents and carers and enable them to support the academic development of pupils
 - 3.3 Enhance the system of rewards used to motivate pupils.

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:

- Balance 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

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TRUSTEES' REPORT (continued)
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Achievements and performance

Strategic report

a. Key performance indicators

Key Stage 4	2018*
Progress 8 Score	-0.53 (C.I. -0.76 to -0.29)
Attainment 8 Score	33.05
Grade 4+ (Good Pass) English & Maths	32%
Grade 5+ (Strong Pass) English & Maths	18%
Grade 4+ EBacc	11%
Grade 5+ EBacc	7%
Entering EBacc	32%
Staying in Education/entering employment	97.4%**
Average KS2 Prior Attainment	4.28

**Figure based on Walsall destinations data does not include 13 students with unknown destinations as they have gone to different boroughs

Disadvantaged pupils and narrowing the gap

Average English Progress 8	2016	2017	2018*
School	-0.026	0.06	-0.285
Disadvantaged	-0.274	-0.207	-0.437
Other	0.252	0.52	-0.109
Gap	0.526	0.727	0.328

Average English Attainment 8 Grade	2016	2017	2018*
School	4.46	4.0	3.83
Disadvantaged	4.18	3.63	3.97
Other	4.75	4.55	3.71
Gap	0.57	0.92	0.25

Average Maths Progress 8	2016	2017	2018*
School	0.096	0.155	-0.404
Disadvantaged	-0.078	-0.301	-0.461
Other	0.290	0.930	-0.326
Gap	0.368	1.231	0.135

Average Maths Attainment 8 Grade	2016	2017	2018*
School	3.95	3.43	3.14
Disadvantaged	3.64	2.87	3.20
Other	4.26	4.28	3.13
Gap	0.62	1.41	0.07

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Progress 8 Score	2016	2017	2018*
School	-0.012	-0.01	-0.53
Disadvantaged	-0.266	-0.358	-0.630
Other	0.273	0.560	-0.403
Gap	0.539	0.917	0.227

Attainment 8 Grade	2016	2017	2018*
School	4.13	3.57	3.3
Disadvantaged	3.74	3.13	3.4
Other	4.51	4.23	3.3
Gap	0.77	1.1	0.1

Grade 4+ (Good Pass) English & Maths	2016	2017	2018*
School		40.7%	31.7%
Disadvantaged		31.0%	32.8%
Other		55.3%	32.3%
Gap		24.3%	0.5%

Grade 5+ (Strong Pass) English & Maths	2016	2017	2018*
School		20.3%	18.3%
Disadvantaged		12.7%	21.9%
Other		31.9%	14.5%
Gap		19.2%	7.4%

**Provisional 2018 Data.*

Key Stage 5 **2018***

A level
Progress Score -0.15

Academic Qualifications
Progress Score -0.15
Average Grade D=

Applied General Qualifications
Progress Score -1.29
Average Grade M-

Tech Levels
Average Grade P+
English & Maths Level 2
Progress in English 0.58
Progress in Mathematics 0.50

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.

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

c. Review of activities

Capital Investment In Buildings

During the year 2016/17, 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 was completed during 2017/18.

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 Tonks' Building 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. This project is currently in the Gateway process prior to formal awarding of the contract to MIDAS Construction to undertake a complete refurbishment which is scheduled to begin in early 2019.

In addition the Governors have made a decision to once again employ Concept Education to formulate a bid for specific academy funding, Capital Investment 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.

Financial review

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 £5,227,685 (2017: £5,174,842) was significantly 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 £27,958 (2017: £306,930).

Under Accounting Standard FRS102, it is necessary to recognise projected deficits on the Local Government Pension Scheme that is provided for our support staff. This resulted in that fund showing a substantial deficit of £1,595,000 at 31 August 2018 (£1,773,000 31 August 2017), and this has been carried forward into the current year. It should be noted that this does not present the Academy with any current liquidity problem, and that we are reviewing contributions to the pension scheme in order to see a reduction of this pension deficit in future years.

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.

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TRUSTEES' REPORT (continued)
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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 £536,130 (2017: £562,675).

c. Material investments policy

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, Trustees 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 principal 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.

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TRUSTEES' REPORT (continued)
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Fundraising

The Academy Trust does not undertake any material fundraising activities.

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
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13/12/18 and signed on its behalf by:



Rev'd H Bishop
Chair of Trustees

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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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Smith	6	6
Rev'd H Bishop, Chair	5	6
S Bailey	4	6
P Mills	5	6
R Everitt	6	6
J Proctor	1	1
A Orlik	4	6
K Jones	4	6
D Tonks (deceased 24 July 2018)	5	6
S Rayner	6	6
J Roberts	6	6
L Clarke-Nivore	0	1
Rev J Trood	5	6
J Sohal	4	6

The Finance and General Purposes Committee is a sub-committee of the main board of governors. It's purpose is to monitor the financial activities of the Academy and make decisions relating to finance. In addition the finance committee has also been given the responsibilities of the audit committee, in order to review the controls over the academy's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Bailey	1	1
R Everitt	2	3
S Rayner	3	3
J Roberts	3	3
D Smith	3	3
J Sohal	2	3

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GOVERNANCE STATEMENT (continued)

The Teaching and Learning is also a sub-committee of the main Board of Trustees. The committee was disbanded Spring Term 2018, all matters referred back to Full Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Rev. H. Bishop (Chair)	2	2
D Tonks	2	2
S Bailey	2	2
K Jones	2	2
P Mills	2	2
A Orlik	0	2
J Procter (Resigned 28/11/17)	0	1
D Smith	1	2
Rev. J Trood	2	2

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:

Focus 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 ensuring support that is available is relevant to their needs.
- Additional staffing in English, Mathematics and Science to allow smaller class sizes

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GOVERNANCE STATEMENT (continued)

Financial Governance and Oversight:

During 2017/18 the Finance and General Purposes sub-committee was 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.

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.

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.

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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.
- 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 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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.

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

GOVERNANCE STATEMENT (continued)

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 S4S, the external auditor, to perform additional checks.

The reviewer'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 external 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.

13

Approved by order of the members of the Board of Trustees on 13 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



D Smith
Accounting Officer

¹³
Date: 6 December 2018

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

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

The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 13/12/2018 and signed on its behalf by:



Rev'd H Bishop
Chair of Trustees

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

**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 (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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

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

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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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 or to cease operations, or have no realistic alternative but to do so.

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

**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.

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

Use of our report

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.

Handwritten signature of Simon Atkins in black ink, reading '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

Date: 12/12/18

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 & SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blue Coat Church of England Academy (Walsall) Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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.

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 & 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

 December 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	22,865	-	37,320	60,185	344,134
Charitable activities:	3					
Funding for the academy		-	5,071,137	-	5,071,137	4,727,828
trust's educational operations						
Other trading activities	4	44,138	-	-	44,138	31,989
Investments	5	2,222	-	-	2,222	3,775
Total income		69,225	5,071,137	37,320	5,177,682	5,107,726
Expenditure on:						
Academy trust educational operations		-	5,112,404	115,281	5,227,685	5,174,840
Total expenditure	6	-	5,112,404	115,281	5,227,685	5,174,840
Net income / (expenditure) before transfers		69,225	(41,267)	(77,961)	(50,003)	(67,114)
Transfers between Funds	16	-	(127,660)	127,660	-	-
Net income / (expenditure) before other recognised gains and losses		69,225	(168,927)	49,699	(50,003)	(67,114)
Actuarial losses on defined benefit pension schemes	20	-	307,000	-	307,000	(93,000)
Net movement in funds		69,225	138,073	49,699	256,997	(160,114)
Reconciliation of funds:						
Total funds brought forward		366,059	(1,632,227)	1,127,699	(138,469)	21,645
Total funds carried forward		435,284	(1,494,154)	1,177,398	118,528	(138,469)

The notes on pages 27 to 47 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 2018**

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		1,200,398		1,071,855
Current assets					
Debtors	13	220,295		357,869	
Cash at bank and in hand		689,420		699,192	
		<u>909,715</u>		<u>1,057,061</u>	
Creditors: amounts falling due within one year	14	<u>(373,585)</u>		<u>(471,385)</u>	
Net current assets			<u>536,130</u>		<u>585,676</u>
Total assets less current liabilities			<u>1,736,528</u>		<u>1,657,531</u>
Creditors: amounts falling due after more than one year	15		<u>(23,000)</u>		<u>(23,000)</u>
Net assets excluding pension scheme liability			<u>1,713,528</u>		<u>1,634,531</u>
Defined benefit pension scheme liability	20		<u>(1,595,000)</u>		<u>(1,773,000)</u>
Total net (liabilities)/assets including pension scheme liabilities			<u><u>118,528</u></u>		<u><u>(138,469)</u></u>
Funds of the academy trust:					
Restricted funds:					
Restricted funds	16	100,846		140,773	
Restricted fixed asset funds	16	1,177,398		1,127,699	
		<u>1,278,244</u>		<u>1,268,472</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,595,000)</u>		<u>(1,773,000)</u>	
Total restricted funds			<u>(316,756)</u>		<u>(504,528)</u>
Unrestricted income funds	16		<u>435,284</u>		<u>366,059</u>
Total funds/(deficit)			<u><u>118,528</u></u>		<u><u>(138,469)</u></u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue, on 13/12/18 and are signed on their behalf, by:



Rev'd H Bishop
Chair of Governors

The notes on pages 27 to 47 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>194,510</u>	<u>(341,758)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,222	3,775
Proceeds from the sale of tangible fixed assets		-	8,150
Purchase of tangible fixed assets		(243,824)	(387,679)
Capital grants from DfE Group		<u>37,320</u>	<u>341,233</u>
Net cash used in investing activities		<u>(204,282)</u>	<u>(34,521)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		-	23,000
Net cash provided by financing activities		<u>-</u>	<u>23,000</u>
Change in cash and cash equivalents in the year		(9,772)	(353,279)
Cash and cash equivalents brought forward		<u>699,192</u>	<u>1,052,471</u>
Cash and cash equivalents carried forward	19	<u><u>689,420</u></u>	<u><u>699,192</u></u>

The notes on pages 27 to 47 form part of these financial statements.

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

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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.

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

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

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.

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

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

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 relevant 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
Furniture and fixtures	-	20% straight line
Motor vehicles	-	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 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.

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

1. Accounting Policies (continued)

1.8 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.

1.9 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.

1.10 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 13. 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 14 and 15. 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.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting Policies (continued)

1.12 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 20, 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.

1.13 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 funders where the asset acquired or created is held for a specific purpose.

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting Policies (continued)

1.14 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The 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.

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FOR THE YEAR ENDED 31 AUGUST 2018**

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	22,865	-	-	22,865	2,901
Grants	-	-	37,320	37,320	341,233
	<u>22,865</u>	<u>-</u>	<u>37,320</u>	<u>60,185</u>	<u>344,134</u>
Total 2017	<u>2,901</u>	<u>-</u>	<u>341,233</u>	<u>344,134</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,534,346	4,534,346	4,295,878
Start Up Grants	-	8,265	8,265	1,520
Pupil Premium	-	354,875	354,875	328,964
Other DfE/ESFA Grants	-	38,027	38,027	70,537
	<u>-</u>	<u>4,935,513</u>	<u>4,935,513</u>	<u>4,696,899</u>
Other government grants				
Local Authority Grants	-	135,624	135,624	30,929
	<u>-</u>	<u>135,624</u>	<u>135,624</u>	<u>30,929</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>5,071,137</u>	<u>5,071,137</u>	<u>4,727,828</u>
Total 2017	<u>17,602</u>	<u>4,710,226</u>	<u>4,727,828</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings Income	12,844	-	12,844	15,680
Other Income	31,294	-	31,294	16,309
	<u>44,138</u>	<u>-</u>	<u>44,138</u>	<u>31,989</u>
Total 2017	<u>31,989</u>	<u>-</u>	<u>31,989</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	2,222	-	2,222	3,775
Total 2017	<u>3,775</u>	<u>-</u>	<u>3,775</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Activities:					
Direct costs	3,602,389	-	500,294	4,102,683	3,964,284
Support costs	637,520	231,297	256,185	1,125,002	1,210,556
	<u>4,239,909</u>	<u>231,297</u>	<u>756,479</u>	<u>5,227,685</u>	<u>5,174,840</u>
Total 2017	<u>4,058,185</u>	<u>354,306</u>	<u>762,349</u>	<u>5,174,840</u>	

7. Analysis of expenditure by activities

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	4,102,683	1,125,002	5,227,685	5,174,840
Total 2017	<u>3,964,284</u>	<u>1,210,556</u>	<u>5,174,840</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities £	Total 2018 £	Total 2017 £
Staff costs	637,520	637,520	695,547
Net interest cost on pension	-	-	34,000
Travel and subsistence	42,282	42,282	30,445
Other support costs	40,381	40,381	37,233
Maintenance of premises	46,419	46,419	43,268
Maintenance of equipment	4,481	4,481	11,108
Cleaning costs	88,878	88,878	88,878
Operating leases	7,875	7,875	15,741
Rates	16,921	16,921	15,804
Water rates	12,997	12,997	4,991
Energy	66,082	66,082	73,798
Insurance	23,423	23,423	28,480
Catering costs	92,364	92,364	93,554
Governance costs	45,379	45,379	37,709
	<u>1,125,002</u>	<u>1,125,002</u>	<u>1,210,556</u>
Total 2017	<u>1,210,556</u>	<u>1,210,556</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	115,281	101,417
Auditors' remuneration	7,900	7,900
Auditors' non audit remuneration	4,550	4,550
Operating lease rentals	6,105	23,207
	<u>133,836</u>	<u>137,074</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,124,251	3,012,191
Social security costs	300,292	251,226
Operating costs of defined benefit pension schemes	651,191	520,956
	<u>4,075,734</u>	<u>3,784,373</u>
Agency staff costs	141,750	239,293
Staff restructuring costs	22,425	34,519
	<u>4,239,909</u>	<u>4,058,185</u>
Staff restructuring costs comprise:		
Redundancy payments	-	34,519
Severance payments	22,425	-
	<u>22,425</u>	<u>34,519</u>

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

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totaling £22,425 (2017: £34,519). Individually, the payments were £22,425 paid on 28 August 2018 (2017: £10,178, £9,131 and £15,210).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	56	56
Support	44	54
Management	8	7
	<u>108</u>	<u>117</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs (continued)

e. Key management personnel

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 £586,744 (2017: £516,882)

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2018 £	2017 £
D Smith	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
R Everitt (Staff trustee)	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £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.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Property improvements £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	936,901	118,914	327,575	1,383,390
Additions	188,355	825	54,644	243,824
At 31 August 2018	<u>1,125,256</u>	<u>119,739</u>	<u>382,219</u>	<u>1,627,214</u>
Depreciation				
At 1 September 2017	37,255	80,285	193,995	311,535
Charge for the year	22,309	23,920	69,052	115,281
At 31 August 2018	<u>59,564</u>	<u>104,205</u>	<u>263,047</u>	<u>426,816</u>
Net book value				
At 31 August 2018	<u>1,065,692</u>	<u>15,534</u>	<u>119,172</u>	<u>1,200,398</u>
At 31 August 2017	<u>899,646</u>	<u>38,629</u>	<u>133,580</u>	<u>1,071,855</u>

13. Debtors

	2018 £	2017 £
Trade debtors	12,009	3,731
Other debtors	88,252	141,595
Prepayments and accrued income	120,034	212,543
	<u>220,295</u>	<u>357,869</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	185,043	254,067
Other taxation and social security	74,324	74,959
Other creditors	61,528	93,083
Accruals and deferred income	52,690	49,276
	<u>373,585</u>	<u>471,385</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	12,983	35,365
Resources deferred during the year	26,747	12,983
Amounts released from previous years	(12,983)	(35,365)
	<hr/>	<hr/>
Deferred income at 31 August 2018	26,747	12,983
	<hr/>	<hr/>

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

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

	2018 £	2017 £
Other loans	23,000	23,000
	<hr/>	<hr/>

Other loans due after more than one year relate to a Salix loan which is provided on the following terms: zero interest, repayable over 8 years in equal installments.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	366,059	69,225	-	-	-	435,284
Restricted funds						
General Annual Grant (GAG)	140,773	4,131,311	(4,043,578)	(127,660)	-	100,846
Other DfE/ESFA Grants	-	932,553	(932,553)	-	-	-
Local Authority Grants	-	7,273	(7,273)	-	-	-
Pension reserve	(1,773,000)	-	(129,000)	-	307,000	(1,595,000)
	<u>(1,632,227)</u>	<u>5,071,137</u>	<u>(5,112,404)</u>	<u>(127,660)</u>	<u>307,000</u>	<u>(1,494,154)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants	1,119,966	37,320	(115,281)	127,660	-	1,169,665
Other capital grants	7,733	-	-	-	-	7,733
	<u>1,127,699</u>	<u>37,320</u>	<u>(115,281)</u>	<u>127,660</u>	<u>-</u>	<u>1,177,398</u>
Total restricted funds	<u>(504,528)</u>	<u>5,108,457</u>	<u>(5,227,685)</u>	<u>-</u>	<u>307,000</u>	<u>(316,756)</u>
Total of funds	<u><u>(138,469)</u></u>	<u><u>5,177,682</u></u>	<u><u>(5,227,685)</u></u>	<u><u>-</u></u>	<u><u>307,000</u></u>	<u><u>118,528</u></u>

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 liability arising on the LGPS pension fund.

Restricted fixed asset fund

This 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 2018.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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 Authority Grants	-	20,231	(20,231)	-	-	-
Pension reserve	(1,570,000)	-	(110,000)	-	(93,000)	(1,773,000)
	<u>(1,125,047)</u>	<u>4,710,226</u>	<u>(5,029,850)</u>	<u>(94,556)</u>	<u>(93,000)</u>	<u>(1,632,227)</u>
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
Total restricted funds	<u>(331,720)</u>	<u>5,051,459</u>	<u>(5,131,267)</u>	<u>-</u>	<u>(93,000)</u>	<u>(504,528)</u>
Total of funds	<u>21,645</u>	<u>5,107,726</u>	<u>(5,174,840)</u>	<u>-</u>	<u>(93,000)</u>	<u>(138,469)</u>

17. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,200,398	1,200,398
Current assets	435,284	474,431	-	909,715
Creditors due within one year	-	(373,585)	-	(373,585)
Creditors due in more than one year	-	-	(23,000)	(23,000)
Pension scheme liability	-	(1,595,000)	-	(1,595,000)
	<u>435,284</u>	<u>(1,494,154)</u>	<u>1,177,398</u>	<u>118,528</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	1,071,857	1,071,857
Current assets	366,059	479,955	211,047	1,057,061
Creditors due within one year	-	(339,182)	(132,205)	(471,387)
Creditors due in more than one year	-	-	(23,000)	(23,000)
Pension scheme liability	-	(1,773,000)	-	(1,773,000)
	<u>366,059</u>	<u>(1,632,227)</u>	<u>1,127,699</u>	<u>(138,469)</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(50,003)	(67,114)
Adjustment for:		
Depreciation charges	115,281	101,417
Dividends, interest and rents from investments	(2,222)	(3,775)
Profit on the sale of fixed assets	-	(417)
Decrease in stocks	-	442
Decrease/(increase) in debtors	137,573	(155,382)
(Decrease)/increase in creditors	(97,799)	14,304
Capital grants from DfE and other capital income	(37,320)	(341,233)
Defined benefit pension scheme cost less contributions payable	129,000	110,000
Net cash provided by/(used in) operating activities	194,510	(341,758)

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	689,420	699,192
Total	689,420	699,192

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20. 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.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £286,882 (2017 - £312,576).

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).

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

20. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £233,000 (2017 - £136,000), of which employer's contributions totalled £190,000 (2017 - £104,000) and employees' contributions totalled £43,000 (2017 - £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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
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:

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

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate +0.1%	66	58
Discount rate -0.1%	(68)	(60)
Mortality assumption - 1 year increase	(91)	(61)
Mortality assumption - 1 year decrease	89	59
CPI rate +0.1%	(55)	(50)
CPI rate -0.1%	-	53

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

20. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	822,000	678,000
Gilts and other bonds	142,000	119,000
Property	106,000	78,000
Cash and other liquid assets	49,000	53,000
Other	181,000	142,000
	<hr/>	<hr/>
Total market value of assets	1,300,000	1,070,000
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The actual return on scheme assets was £14,000 (2017 - £149,000).

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

	2018 £	2017 £
Current service cost (net of employee contributions)	86,000	76,000
Net interest cost	43,000	34,000
	<hr/>	<hr/>
Total	129,000	110,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	2,843,000	2,383,000
Current service cost	276,000	180,000
Actuarial losses	(324,000)	108,000
Interest cost	74,000	53,000
Employee contributions	43,000	32,000
Benefits paid	(17,000)	(9,000)
Change in demographic assumptions	-	(16,000)
Experience loss/(gain) on a defined benefit obligation	-	112,000
	<hr/>	<hr/>
Closing defined benefit obligation	2,895,000	2,843,000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,070,000	813,000
Return on plan assets	31,000	19,000
Actuarial gains	(17,000)	130,000
Contributions by employer	190,000	104,000
Employee contributions	43,000	32,000
Benefits paid	(17,000)	(9,000)
Other actuarial gains/(losses)	-	(19,000)
	<u>1,300,000</u>	<u>1,070,000</u>
Closing fair value of scheme assets	<u>1,300,000</u>	<u>1,070,000</u>

21. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,152	6,105
Between 1 and 5 years	1,062	1,389
	<u>3,214</u>	<u>17,267</u>
Total	<u>3,214</u>	<u>17,267</u>

22. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. Related party transactions

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £30,177 (2017: £100,420) during the period. There were no amounts outstanding at 31 August 2018 (2017: £Nil).

24. 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.