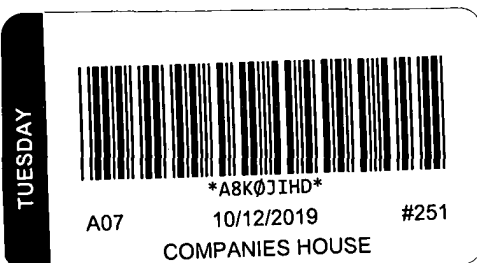


BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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

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BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Church of England Central Education Trust (CECET) C Hopkins (CECET appointed) Rev'd H Bishop (CECET appointed) J Sohal, The Holte School
Trustees	Rev'd H Bishop, Chair J Roberts R Everitt S Rayner S Bailey J Sohal Rev J Trood A Orlik P Mills K Jones D Smith L Parker (appointed 12 November 2018) A Francis (appointed 9 November 2018)
Company registered number	08137486
Company name	Blue Coat Church of England (Walsall) Trust
Principal and registered office	Blue Coat Church Of England Academy (Walsall) Birmingham Street Walsall WS1 2ND
Chief executive officer	D Smith
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 V Owen, Acting Principal
Independent auditors	Cooper Parry Group Limited Chartered Accountants One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Lloyds Bank Plc 2nd Floor 125 Colmore Row Birmingham B3 3SF

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also directors of the academy for the purposes of the Companies Act) present their annual report together with the audited financial statements of Blue Coat Church of England (Walsall) Trust (the academy) for the period 1 September 2018 to 31 August 2019. The annual report serves the purpose 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 883 (734 Y7-11) in the school census January 2019.

Structure, governance and management

a. Constitution

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

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

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

The members of the Charitable Company being:

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

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

c. Trustees' indemnities

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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

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

The Secretary of State may appoint additional Trustees as he/she thinks fit (after consultation with the Diocesan Board of Education) if they have 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 are encouraged to participate in seminars and workshops held by the Local Authority and to attend training courses on matters that provide regular update on practice, legislation and guidance.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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, two Vice Principals and four Assistant Principals. 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. The Full Governing Body covering all functions, there are no separate committees.

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

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy. Details of Trustees' remuneration and expenses are disclosed in note 10 of the financial statements.

The current arrangements for setting the pay and remuneration of the key management personnel of the Academy Trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school size and relevant scale points attributed to the pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Board of Directors. Recommendations for pay increases are made by to the Board of Directors.

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.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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	-

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	1,721
Total pay bill	3,424,966
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	3 %
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i. Related parties and other connected charities and organisations

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 Academy has engaged a range of independent external support and advice, some brokered through the main sponsor but the majority independently sourced to allow the Academy to achieve significant success in promoting closer working arrangements within the Academy, which in turn has contributed significantly to school improvements and raising of standards within the Academy.

Objectives and activities

a. Objects and aims

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

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

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere;
- To provide an environment that enables students to learn and teachers to teach effectively;

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- 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, with a distinctly Christian foundation.
- 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.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Strategic report

Achievements and performance

a. Key performance indicators

Achievements and performance 18/19

Key Stage 4	2019
Progress 8 Score	-0.197 (C.I. -0.423 to +0.029)
Attainment 8 Score	35.13
Grade 4+ (Good Pass) English & Maths	37%
Grade 5+ (Strong Pass) English & Maths	18%
Grade 4+ EBacc	33%
Grade 5+ EBacc	15%
Entering EBacc	9%
Staying in Education/entering employment	92%**
Average KS2 Prior Attainment	4.28

****Figure based on Walsall destinations data**

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Disadvantaged pupils and narrowing the gap

Average English Progress 8	2016	2017	2018	2019*
School	-0.026	0.06	-0.297	-0.157
Disadvantaged	-0.274	-0.207	-0.449	-0.144
Other	0.252	0.52	-0.120	-0.172
Gap	0.526	0.727	0.329	-0.028

Average English Attainment 8 Grade	2016	2017	2018	2019*
School	4.46	4.0	3.80	3.96
Disadvantaged	4.18	3.63	3.97	3.89
Other	4.75	4.55	3.65	4.03
Gap	0.57	0.92	0.32	0.14

Average Maths Progress 8	2016	2017	2018	2019*
School	0.096	0.155	-0.413	-0.166
Disadvantaged	-0.078	-0.301	-0.470	-0.202
Other	0.290	0.930	-0.335	-0.123
Gap	0.368	1.231	0.135	0.079

Average Maths Attainment 8 Grade	2016	2017	2018	2019*
School	3.95	3.43	3.13	3.23
Disadvantaged	3.64	2.87	3.20	3.04
Other	4.26	4.28	3.11	3.44
Gap	0.62	1.41	0.09	0.40

Progress 8 Score	2016	2017	2018	2019*
School	-0.012	-0.01	-0.54	-0.197
Disadvantaged	-0.266	-0.358	-0.638	-0.194
Other	0.273	0.560	-0.420	-0.200
Gap	0.539	0.917	0.218	-0.006

Attainment 8 Grade	2016	2017	2018	2019*
School	4.13	3.57	3.3	3.5
Disadvantaged	3.74	3.13	3.4	3.4
Other	4.51	4.23	3.3	3.7
Gap	0.77	1.1	0.1	0.3

Grade 4+ (Good Pass) English & Maths	2016	2017	2018	2019*
School		40.7%	31.5%	37.4%
Disadvantaged		31.0%	32.8%	32.9%
Other		55.3%	31.7%	42.4%
Gap		24.3%	1.1%	9.5%

Grade 5+ (Strong Pass) English & Maths	2016	2017	2018	2019*
School		20.3%	18.1%	18.0%
Disadvantaged		12.7%	21.9%	16.4%
Other		31.9%	14.3%	19.7%
Gap		19.2%	7.6%	3.3%

*Provisional 2019 Data.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key Stage 5	2019
A level	
Progress Score	-0.36
Academic Qualifications	
Progress Score	-0.45
Average Grade	D=
Applied General Qualifications	
Progress Score	-0.14
Average Grade	M=
Applied General Qualifications	
Progress Score	-1.501
Average Grade	M=
English & Maths Level 2	
Progress in English	1.60
Progress in Mathematics	1.45

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 trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

c. Capital Investment in Buildings

During the year 2018/19, the Academy successfully bid for funding to replace the windows in the Grove building, through the Condition Improvement Fund. The basis of the work was to address significant issues which were caused by the poor condition of the windows, the replacement windows improve energy efficiency and the working environment inside the building with better temperature and ventilation management. Work was largely completed during 2018/19.

d. Capital Investment in ICT Upgrade

No capital investment made in 2018/19.

e. 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

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

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. During 2018/19, this project moved to formal awarding of the contracts to MIDAS Construction to undertake a complete refurbishment with work beginning in July 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 Main site, to improve energy efficiency and to improve the working environment inside the building with better temperature and ventilation management.

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 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year the total expenditure of £5,684,144 (2018/19: £5,227,685) was more than covered by grant funding from the ESFA together with other incoming resources.

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 £2,051,000 at 31 August 2019 (£1,595,000 31 August 2018), 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.

a. 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 of reserves is in the region of £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 £523,778.

b. Investment 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, Governors may consider the investment of these funds in a deposit account to generate additional income in interest.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Financial and Risk Management Objectives and Policies

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 (e.g. bi-annual internal audit). 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.

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

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

d. Principal risks and uncertainties

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.

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Academy Trust does not undertake any material fundraising activities.

Plans for future periods

After seven 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 on behalf of others

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

Disclosure of information to auditors

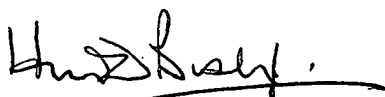
Each of the persons who are Trustees at the time when this Trustees' report is approved have confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors and unaware, and
- that Trustee has 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 auditors are aware of that information.

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 21 November 2019 and signed on its behalf by:



Rev'd H Bishop
Chair of Trustees

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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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 (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 (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 8 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Rev'd H Bishop, Chair	8	8
J Roberts	8	8
R Everitt	8	8
S Rayner	8	8
S Bailey	6	8
J Sohal	4	8
Rev J Trood	7	8
A Orlik	4	8
P Mills	8	8
K Jones	5	8
D Smith	8	8
L Parker	7	8
A Francis	4	7

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

We have ensured and continue to ensure targeting of resources to key subject areas such as Literacy, Numeracy and Science, along with the implementation of new specifications at both Key Stage 4 and Key Stage 5.

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.

Financial Governance and Oversight

The full Governing Body are responsible for determining the Academy's financial priorities linking this to the long term vision and directions given by the full Governing Body.

- 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.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Better Purchasing

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

- Implementing a tender process for significant purchases and/or contracts.
- 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 £13,000 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.

Reviewing controls and managing risks

- The Academy has prepared a risk register which is updated on a regular basis and reviewed by 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 holder.

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.

As the Accounting Officer for Blue Coat Church of England Academy (Walsall) Trust, I am aware that I have personal responsibility to Parliament for regularity (spending money for the purposes intended by Parliament), propriety (handling money honestly and avoiding conflicts of interest) and value for money.

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

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blue Coat Church of England (Walsall) Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint S4S as internal auditor.

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

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

On an annual basis, the internal 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 Trustees' financial responsibilities.

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

GOVERNANCE STATEMENT (CONTINUED)

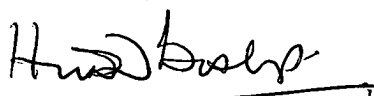
Review of effectiveness

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 21 November 2019 and signed on their behalf by:



Rev. H. Bishop
Chair of Trustees


Y. Owen
Accounting Officer

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

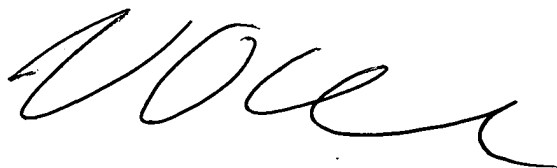
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Blue Coat Church of England (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 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.

V Owen
Accounting Officer
Date: 21 November 2019



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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 Academies Accounts Direction published 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 2018 to 2019;
- make judgements 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 21 November 2019 and signed on its behalf by:



Rev'd H Bishop
Chair of Trustees

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

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

Opinion

We have audited the financial statements of Blue Coat Church of England (Walsall) Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2018 to 2019 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 trust's affairs as at 31 August 2019 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 2018 to 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST (CONTINUED)

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 trust 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.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE
COAT CHURCH OF ENGLAND (WALSALL) TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

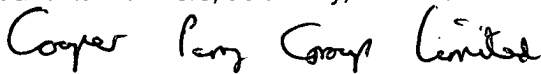
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 Auditors' report.

Use of our report

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



Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 19 December 2019

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BLUE COAT CHURCH OF ENGLAND (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 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blue Coat Church of England (Walsall) Trust during the year 1 September 2018 to 31 August 2019 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 (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 (Walsall) Trust and 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 (Walsall) Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Blue Coat Church of England (Walsall) Trust's funding agreement with the Secretary of State for Education dated 19 September 2017 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 trust's income and expenditure. The work undertaken to draw our conclusions included:

Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;

Reviewing the minutes of meetings of the Trustees and other evidence made available to us, relevant to our consideration of regularity;

Enquires of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and

Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 21 November 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	2	19,340	-	264,784	284,124	60,185
Charitable activities	3	-	5,408,399	-	5,408,399	5,071,137
Other trading activities	4	29,079	-	-	29,079	44,138
Investments	5	1,991	-	-	1,991	2,222
Total income		<u>50,410</u>	<u>5,408,399</u>	<u>264,784</u>	<u>5,723,593</u>	<u>5,177,682</u>
Expenditure on:						
Educational operations	6	64,659	5,530,103	89,382	5,684,144	5,227,685
Total expenditure		<u>64,659</u>	<u>5,530,103</u>	<u>89,382</u>	<u>5,684,144</u>	<u>5,227,685</u>
Net (expenditure)/ income		<u>(14,249)</u>	<u>(121,704)</u>	<u>175,402</u>	<u>39,449</u>	<u>(50,003)</u>
Transfers between funds	16	-	(23,399)	23,399	-	-
Total transfers		<u>-</u>	<u>(23,399)</u>	<u>23,399</u>	<u>-</u>	<u>-</u>
Net income (expenditure) in funds before other recognised gains and losses		<u>(14,249)</u>	<u>(145,103)</u>	<u>198,801</u>	<u>39,449</u>	<u>(50,003)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(309,000)	-	(309,000)	307,000
Net movement in funds		<u>(14,249)</u>	<u>(454,103)</u>	<u>198,801</u>	<u>(269,551)</u>	<u>256,997</u>
Reconciliation of funds:						
Total funds brought forward		435,284	(1,494,154)	1,177,398	118,528	(138,469)
Net movement in funds		(14,249)	(454,103)	198,801	(269,551)	256,997
Total funds carried forward		<u>421,035</u>	<u>(1,948,257)</u>	<u>1,376,199</u>	<u>(151,023)</u>	<u>118,528</u>

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

The notes on pages 28 to 49 form part of these financial statements.


BLUE COAT CHURCH OF ENGLAND (WALSALL) TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08137486

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,411,039	1,200,398
		<u>1,411,039</u>	<u>1,200,398</u>
Current assets			
Debtors	13	264,118	220,295
Cash at bank and in hand		709,154	689,420
		<u>973,272</u>	<u>909,715</u>
Creditors: amounts falling due within one year	14	(452,393)	(373,585)
Net current assets		<u>520,879</u>	<u>536,130</u>
Total assets less current liabilities		<u>1,931,918</u>	<u>1,736,528</u>
Creditors: amounts falling due after more than one year	15	(31,941)	(23,000)
Net assets excluding pension liability		<u>1,899,977</u>	<u>1,713,528</u>
Defined benefit pension scheme liability	21	(2,051,000)	(1,595,000)
Total net assets		<u><u>(151,023)</u></u>	<u><u>118,528</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	16	1,376,199	1,177,398
Restricted income funds	16	(1,948,257)	(1,494,154)
Total restricted funds	16	<u>(572,058)</u>	<u>(316,756)</u>
Unrestricted income funds	16	<u>421,035</u>	<u>435,284</u>
Total funds		<u><u>(151,023)</u></u>	<u><u>118,528</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue on 21 November 2019 and are signed on their behalf, by:


Rev'd H Bishop, Chair

The notes on pages 28 to 49 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	45,980	194,510
Cash flows from investing activities	19	(26,246)	(204,282)
Change in cash and cash equivalents in the year		19,734	(9,772)
Cash and cash equivalents at the beginning of the year		689,420	699,192
Cash and cash equivalents at the end of the year	20	<u>709,154</u>	<u>689,420</u>

The notes on pages 28 to 49 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

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.

• **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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 will not be recognised on the balance sheet of the company.

In addition to the long leasehold land and buildings the academy trust also occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The academy trust is not able to exercise control over this property and therefore no fixed asset has been recognised in these financial statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

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1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	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.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost 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 instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Operating leases

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The academy trust 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The preparation of the financial statements in conformity with general 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 revenue 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 judgments or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over their economic 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.

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The academy trust occupies land and buildings held under Church supplemental agreements. Under church supplemental agreements the academy trust is permitted occupancy of the premises with a notice period of two years, and no rental is payable under this arrangement. The Trustees do not consider that the academy trust is able to exercise control over the property and therefore the property does not meet the definition of an asset of the academy trust and has not been recognised as a fixed asset in these financial statements. Accordingly, improvements to property held under Church supplemental agreements are expensed in the year the cost is incurred. The market value of the donated facilities has not been recognised in the financial statements as the Trustees consider that no reliable measure is available.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	19,340	-	19,340	22,865
Grants	-	264,784	264,784	37,320
Total 2019	19,340	264,784	284,124	60,185
Total 2018	22,865	37,320	60,185	

3. Funding for the academy trust's academy trust educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	4,808,424	4,808,424	4,534,346
Start up Grants	5,130	5,130	8,265
Pupil Premium	364,691	364,691	354,875
Other DfE/ESFA Grants	101,083	101,083	38,027
	5,279,328	5,279,328	4,935,513
Other Government grants			
Local Authority Grants	102,900	102,900	114,250
	102,900	102,900	114,250
Other income	26,171	26,171	21,374
Total 2019	5,408,399	5,408,399	5,071,137

4. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	13,007	13,007	12,844
Other income	16,072	16,072	31,294
Total 2019	29,079	29,079	44,138

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	1,991	1,991	2,222

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy trust educational operations:					
Direct costs	3,864,648	-	603,159	4,467,807	4,102,683
Support costs	638,994	256,709	320,634	1,216,337	1,125,002
Total 2019	4,503,642	256,709	923,793	5,684,144	5,227,685
Total 2018	4,196,909	231,297	799,479	5,227,685	

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy trust educational operations	4,467,807	1,216,337	5,684,144	5,227,685
Total 2018	4,102,683	1,125,002	5,227,685	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy trust educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	638,994	638,994	594,520
Net interest cost on pension	40,000	40,000	43,000
Travel and subsistence	36,731	36,731	42,282
Other support costs	83,853	83,853	40,381
Maintenance of premises	67,605	67,605	46,419
Maintenance of equipment	28,532	28,532	4,481
Cleaning costs	88,878	88,878	88,878
Operating leases	6,807	6,807	7,875
Rates	17,359	17,359	16,921
Water rates	14,082	14,082	12,997
Energy	68,785	68,785	66,082
Insurance	24,040	24,040	23,423
Catering costs	62,183	62,183	92,364
Governance costs	38,488	38,488	45,379
	<u>1,216,337</u>	<u>1,216,337</u>	<u>1,125,002</u>

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	6,807	6,105
Depreciation of tangible fixed assets	89,628	115,281
Fees paid to auditors for:		
- audit	9,950	7,900
- other services	2,250	4,550
	<u>98,635</u>	<u>127,836</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,424,966	3,124,251
Social security costs	329,210	300,292
Pension costs	672,092	608,191
	<u>4,426,268</u>	<u>4,032,734</u>
Agency staff costs	40,704	141,750
Staff restructuring costs	36,670	22,425
	<u><u>4,503,642</u></u>	<u><u>4,196,909</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	36,670	22,425
	<u>36,670</u>	<u>22,425</u>

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

Included in staff restructuring costs is one non-statutory / non-contractual severance payment totalling £36,670 (2018: one payment totalling £22,425).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	55	56
Support	68	44
Management	8	8
	<u>131</u>	<u>108</u>

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

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1

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 £641,244 (2018: £586,744).

10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
D Smith	Remuneration	85,000 - 90,000	80,000 - 85,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
R Everitt	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

11. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £181.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and Equipment £	Total £
Cost or valuation					
At 1 September 2018	1,125,256	-	119,739	382,219	1,627,214
Additions	12,730	254,491	22,393	10,887	300,501
Disposals	-	-	-	(478)	(478)
At 31 August 2019	1,137,986	254,491	142,132	392,628	1,927,237
Depreciation					
At 1 September 2018	59,564	-	104,205	263,047	426,816
Charge for the year	22,618	-	12,262	54,748	89,628
On disposals	-	-	-	(246)	(246)
At 31 August 2019	82,182	-	116,467	317,549	516,198
Net book value					
At 31 August 2019	1,055,804	254,491	25,665	75,079	1,411,039
At 31 August 2018	1,065,692	-	15,534	119,172	1,200,398

13. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	525	12,009
VAT debtor	77,597	88,252
Prepayments and accrued income	185,996	120,034
	264,118	220,295

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14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	108,865	185,043
Other taxation and social security	85,910	74,324
Other creditors	66,924	61,528
Other loans	2,899	-
Accruals and deferred income	187,795	52,690
	<u>452,393</u>	<u>373,585</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	26,747	12,983
Resources deferred during the year	50,416	26,747
Amounts released from previous periods	(26,747)	(12,983)
	<u>50,416</u>	<u>26,747</u>

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

	2019 £	2018 £
Other loans	<u>31,941</u>	<u>23,000</u>

Other loans due after more than one year relate to a Salix loan which is provided on zero interest terms, 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 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	435,284	50,410	(64,659)	-	-	421,035
Restricted general funds						
General Annual Grant (GAG)	100,846	5,408,399	(5,383,103)	(23,399)	-	102,743
Pension reserve	(1,595,000)	-	(147,000)	-	(309,000)	(2,051,000)
	<u>(1,494,154)</u>	<u>5,408,399</u>	<u>(5,530,103)</u>	<u>(23,399)</u>	<u>(309,000)</u>	<u>(1,948,257)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants	1,169,665	264,784	(89,382)	23,399	-	1,368,466
Other capital grants	7,733	-	-	-	-	7,733
	<u>1,177,398</u>	<u>264,784</u>	<u>(89,382)</u>	<u>23,399</u>	<u>-</u>	<u>1,376,199</u>
Total Restricted funds	<u>(316,756)</u>	<u>5,673,183</u>	<u>(5,619,485)</u>	<u>-</u>	<u>(309,000)</u>	<u>(572,058)</u>
Total funds	<u>118,528</u>	<u>5,723,593</u>	<u>(5,684,144)</u>	<u>-</u>	<u>(309,000)</u>	<u>(151,023)</u>

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

Restricted general funds

The 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 DfE and ESFA to carry out works of a capital nature.
The transfer between unrestricted and restricted fixed asset fund represents capital additions in the year

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

which have been funded from reserves.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Comparative information in respect of the preceding year is as follows:

	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 funds	<u>(138,469)</u>	<u>5,177,682</u>	<u>(5,227,685)</u>	<u>-</u>	<u>307,000</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

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	1,411,039	1,411,039
Current assets	371,276	601,996	-	973,272
Creditors due within one year	50,759	(468,312)	(34,840)	(452,393)
Creditors due in more than one year	-	(31,941)	-	(31,941)
Pension scheme liability	(1,000)	(2,050,000)	-	(2,051,000)
Total	421,035	(1,948,257)	1,376,199	(151,023)

Analysis of net assets between funds - prior year

	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)
Provisions for liabilities and charges	-	(1,595,000)	-	(1,595,000)
Total	435,284	(1,494,154)	1,177,398	118,528

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18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	39,449	(50,003)
Adjustments for:		
Depreciation	89,628	115,281
Capital grants from DfE and other capital income	(272,264)	(37,320)
Interest receivable	(1,991)	(2,222)
Defined benefit pension scheme cost less contributions payable	147,000	129,000
(Increase)/decrease in debtors	(43,823)	137,573
Increase/(decrease) in creditors	87,981	(97,799)
Net cash provided by operating activities	45,980	194,510

19. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	1,991	2,222
Purchase of tangible fixed assets	(300,501)	(243,824)
Capital grants from DfE Group	272,264	37,320
Net cash used in investing activities	(26,246)	(204,282)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	709,154	689,420
Total cash and cash equivalents	709,154	689,420

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FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 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

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £235,042 (2018 - £286,882).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £228,000 (2018 - £233,000), of which employer's contributions totalled £183,000 (2018 - £190,000) and employees' contributions totalled £ 45,000 (2018 - £43,000). The agreed contribution rates for future years are 18.1% per cent for employers and 5.7-7.5% per cent 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

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30
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:

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.9	21.9
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	22.6	24.1
Females	25.1	26.7

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	84	66
Discount rate -0.1%	(86)	(68)
Mortality assumption - 1 year increase	(130)	(91)
Mortality assumption - 1 year decrease	126	89
CPI rate +0.1%	(75)	(55)

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21. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	911,000	822,000
Gilts	200,000	142,000
Property	124,000	106,000
Cash and other liquid assets	55,000	49,000
Other	225,000	181,000
Total market value of assets	<u>1,515,000</u>	<u>1,300,000</u>

The actual return on scheme assets was £89,000 (2018 - £14,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	251,000	276,000
Past service cost	38,000	-
Interest income	(36,000)	43,000
Administrative expenses	1,000	-
Total amount recognised in the Statement of Financial Activities	<u>254,000</u>	<u>319,000</u>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	2,895,000	2,843,000
Current service cost	251,000	276,000
Interest cost	76,000	74,000
Employee contributions	45,000	43,000
Actuarial losses/(gains)	362,000	(324,000)
Benefits paid	(101,000)	(17,000)
Past service costs	38,000	-
At 31 August	<u>3,566,000</u>	<u>2,895,000</u>

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21. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,300,000	1,070,000
Interest income	36,000	31,000
Actuarial gains/(losses)	53,000	(17,000)
Employer contributions	183,000	190,000
Employee contributions	45,000	43,000
Benefits paid	(101,000)	(17,000)
Administration expenses	(1,000)	-
At 31 August	<u>1,515,000</u>	<u>1,300,000</u>

22. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable:		
Not later than 1 year	6,931	2,152
Later than 1 year and not later than 5 years	6,931	1,062
	<u>13,862</u>	<u>3,214</u>

23. Members' liability

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

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24. Related party transactions

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

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

Lichfield Diocesan Board of Education

The Academy Trust purchased services from the Lichfield Diocesan Board of Education (and its subsidiaries) who is a member of the parent company totalling £3,437 (2018: £30,177) during the period. There were no amounts outstanding at 31 August 2019 (2018: £Nil).

25. Controlling party

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