

West Coventry Academy

Governors' report and financial statements

For the year ended 31 August 2022



West Coventry Academy
(A company limited by guarantee)

Contents

| | Page |
|---|---------|
| Reference and administrative details | 1 - 2 |
| Governors' report | 3 - 9 |
| Governance statement | 10 - 14 |
| Statement on regularity, propriety and compliance | 15 |
| Statement of governors' responsibilities | 16 |
| Independent auditors' report on the financial statements | 17 - 20 |
| Independent reporting accountant's report on regularity | 21 - 22 |
| Statement of financial activities incorporating income and expenditure account | 23 |
| Balance sheet | 24 |
| Statement of cash flows | 25 |
| Notes to the financial statements | 26 - 54 |

West Coventry Academy
(A company limited by guarantee)

Reference and Administrative Details

Members P Griffin
B Sayers
C Rose
F Sexton

Governors A Neofitou, Head Teacher¹
M Rose (resigned 31 December 2021)
B Sayers (resigned 31 December 2021)
K Maton (resigned 31 December 2021)
J Jones, Chair of Governors¹
C Rose (resigned 1 October 2021)
C Denson (resigned 31 December 2021)
N Green¹
T Sarjeant (resigned 1 October 2021)¹
H Brookes
M Palmer, Vice Chair
A Carey (resigned 31 December 2021)¹
C Franklin
M Dodd

¹ Finance, Resource and Audit Committee

Company registered number 07654273

Company name West Coventry Academy

Principal and registered office West Coventry Academy
Nutbrook Avenue
Coventry
CV4 9PW

Company secretary Malcolm Gardner

Senior management team Ana Neofitou, Headteacher
Malcolm Gardner, Deputy Head
Sam Tasker, Assistant Head
Deborah Bell, Assistant Head
Sofia Hussain, Assistant Head
Christopher Paton, Deputy Head

Independent auditors Dains LLP
15 Colmore Row
Birmingham
B3 2BH

West Coventry Academy
(A company limited by guarantee)

Reference and Administrative Details (continued)
for the year ended 31 August 2022

Bankers Lloyds Bank PLC
2nd Floor
30 High Street
Coventry
West Midlands
CV1 5RA

Solicitors Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
West Midlands
B2 4BU

West Coventry Academy
(A company limited by guarantee)

Governors' report
for the year ended 31 August 2022

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Coventry. It has a pupil capacity of 1,356 and had a roll of 1,117 in the school census in September 2021.

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 Association, Funding Agreement and Articles of Association are the primary governing documents of the Academy Trust.

The Governors of West Coventry Academy are also the directors of the charitable company for the purposes of company law.

The principal activity of the Academy Trust is to advance education for the public benefit by establishing, maintaining and developing a school offering a broad curriculum.

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

b. Members' liability

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

c. Governors' indemnities

The Academy has purchased insurance to protect all Governors, Governors and Members of the Academy from claims arising from errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 for Governors' liability on any one occurrence.

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

The Academy Trust has adopted the City Council's recruitment and appointment process for the election of Governors.

The Academy Trust's Article of Association states that the following rules be used in the numbers of Governors appointed.

- The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.
- Subject to Article 48-49 and 64, the Academy Trust shall have the following Governors:
 - a. Up to 8 Governors, appointed under Article 50
 - b. Any Staff Governors, if appointed under Article 50A
 - c. Up to 1 LA Governor if appointed under Article 51
 - d. A minimum of 2 Parent Governors appointed under Article 53-58
 - e. The Headteacher
 - f. Any additional Governors, if appointed under Article 62, 62A or 68A and
 - g. Any further Governors, if appointed under Article 63 or 68A
- The Academy Trust may also have any Co-opted Governor appointed under Article 59.
- The first Governors shall be those persons named in the statement delivered pursuant to Sections 9 and 12 of the Companies Act 2006.
- Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected to the fact that an Academy has not been established or the Headteacher has not been appointed, then the relevant Article or part thereof shall not apply.

Appointment of Governors

The members may appoint up to 8 Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The LA may appoint the LA Governor.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

Except for the Headteacher, Governors are subject to retirement after 4 years of service but are re-eligible for reappointment or re-election.

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Governors

Induction

New Governors receive an established and well planned induction, along with a named Governor to act as mentor to assist with any queries in the first few months as a new Governor.

New Governors also receive a comprehensive induction file comprising documentation detailing the roles and responsibilities of the Governors Body, recent minutes, Governors Body Handbook, etc. A familiarisation meeting is held with the Headteacher to include a tour of the school and also a formal induction meeting with the Chair of Governors.

Governor Training

The Governors Body encourages all Governors to participate in training relevant to their needs as a governor. The Governors Body will provide an annual programme of training and details will be available from the Clerk to the Governors Body. Permission to attend training, where there is a cost to the Academy Trust, must be obtained from the Governors Body (or if there is insufficient time, from the Chair of the Governors Body or Training Link (if appointed)). All necessary arrangements for training must be made via the Clerk.

f. Organisational structure

The Governing Body is responsible for the strategic decision of the Academy Trust. The Governing Body reviews progress towards educational objectives and results. They are informed of any expenditure in excess of £10,000, set the budget for the following year and set the organisational staffing structure.

There is one Sub Committee in place to which specific responsibilities are delegated by the Full Governing Body.

- Finance, Risk and Audit Committee

The Headteacher is the designated Accounting Officer of the Academy Trust and has overall responsibility for the day to day financial management of the Academy Trust.

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

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Headteacher, Deputy Head teachers and Assistant Head teachers) are in line with national guidelines. Any annual increments are awarded following schools performance pay policy and are ratified by the full Governing body.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

| | |
|---|----------|
| Number of employees who were relevant union officials during the year | 4 |
| Full-time equivalent employee number | 3 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|---------------------------|----------------------------|
| 0% | - |
| 1%-50% | 4 |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | £ |
|---|------------------|
| Total cost of facility time | 2,070 |
| Total pay bill | 2,007,349 |
| Percentage of total pay bill spent on facility time | 0.1 % |

Paid trade union activities

| | | |
|---|---|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - | % |
|---|---|---|

i. Related parties and other connected charities and organisations

The Academy Trust is not sponsored through any organisation and receives its funding from Central Government. The Academy Trust does not have Governors on its Board of Directors who provide sponsorship.

Objectives and activities

a. Objects and aims

We are dedicated to educating the 'whole child' so that they are able to lead happy, successful and fulfilling adult lives in modern Britain. We expect all staff, students, parents and Governors to share the Academy Trust's vision and to support our high aspirations for future success. As an outward looking school, we aim to broaden the horizons of our students and extend their learning experiences, and to seek out the best educational practice to further improve our own. To this end, we will make the best use of new technologies in order to prepare students for life in the 21st century. We work collaboratively with other schools, colleges and universities, and we value and actively participate in educational networks.

Objectives and activities (continued)

b. Objectives, strategies and activities

The school Strategic priorities are sharply focused on areas that will have maximum impact on school performance, whilst maintaining West Coventry Academy's inclusive ethos as a school that nurtures the talents and interests of all our students, encouraging them to take risks and explore new opportunities.

The School Strategic Plan prioritises the following areas:

- Curriculum
- Learning
- Impact
- Experience
- Leadership

c. Public benefit

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by West Coventry Academy is the maintenance and development of the high quality education provided by the school.

Strategic report

Achievements and performance

a. Key performance indicators

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust is also in receipt of the Devolved Formula Capital Grant (DFC) and Capital bid income from CIF bids, both funded by the ESFA. In accordance with the Charities SORP 2019, grants received are shown in the Statement of Financial Activities (SOFA) as restricted fixed asset funds.

On conversion on 11th July 2011, all of the fixed assets of the former foundation school were transferred to the new Academy Trust and are shown as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the ESFA and other income, such as voluntary income, activities for generating funds and capital grant income.

Governors are acutely interested in strategic financial matters and the importance of balanced budget spending on the current cohorts and the required curriculum investment to support a balanced curriculum whilst supporting decisions to withdraw subjects if not financially viable in the long term. Equally the Governors are aware of the funding difficulties educational institutions are faced within the sector as a whole and are keen to ensure adequate reserves so that it can continue to operate as a going concern.

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

Following approval from the Secretary of State for Education, West Coventry Academy joined the Arthur Terry Learning Partnership on 1 January 2022, a multi academy trust incorporated in England and Wales. On the same day the activities, assets and liabilities of West Coventry Academy were transferred to the Arthur Terry Learning Partnership, and the Trust became dormant.

For this reason, and after making appropriate enquiries, the Trust Board has confirmed that the Academy Trust is no longer a Going Concern and these financial statements have been prepared on a basis other than going concern. Further details regarding the adoption of this basis can be found in the Statement of Accounting Policies.

c. Review of activities

Exam Analysis 2020 to 2021

During the period no exams took place. The Trust transferred into the Arthur Terry Learning Partnership on 1 January 2022. Please refer to the financial statements of the Arthur Terry Learning Partnership for the year ended 31 August 2022 for details.

Financial review

a. Reserves policy

West Coventry Academy joined the Arthur Terry Learning Partnership on 1 January 2022, a multi academy trust incorporated in England and Wales after which the Trust became dormant. As such the reserves of West Coventry Academy were transferred on the same date. There are no reserves to be carried forward.

b. Investment policy

The Academy Trust currently has no material investments although has a deposit account (32 day notice) within the same bank as the current account to benefit from a higher rate of interest.

c. Principal risks and uncertainties

West Coventry Academy has been undertaking a comprehensive assessment of possible risks to the future of the Academy Trust (Risk Register).

The chief risks identified include:

Operational Risk– Pandemic: The Academy Trust in mitigation of this risk during the COVID crisis has made much progress in terms of business continuity having maintained education via remote delivery during the COVID epidemic. This was not a localised epidemic and therefore student outcomes were in terms of results were based upon our predictions. There is a residual unknown risk on the impact of this pandemic on medium and longer term educational outcomes due to a national pandemic, given this is a national crisis, the DfE are trying to ensure parity and fairness in outcomes. The Academy Trust are monitoring who has been impacted most and channelling resources to assist with catch-up e.g. IT, academic and pastoral intervention.

Operational Risk - Information Security Risk: The Academy Trust in mitigation of this risk has held an all staff briefing on data security and the responsibility of the Academy Trust as a data controller. All staff are fully aware of the procedures for data security and this is also outlined in the Staff Code of Conduct.

Governors' report (continued)
for the year ended 31 August 2022

Health and Safety Risk– Building Condition: The Academy Trust operates out of a building built in the 1950s. The Academy Trust has been awarded grant funding to improve the building fabric and the Academy Trust will actively continue to 'chase' funding opportunities although most known high cost, high risk building projects have been successfully funded via CIF bids.

Finance Risk– ESFA Funding: The Academy Trust is reliant on the funding it receives from the ESFA. This funding is pupil led. The Academy Trust will continue to actively recruit students into all areas of the Academy especially into the Sixth Form to mitigate the risk of loss of funding. Governors have agreed that the Trading budget provides an in year reserve/buffer for the main Academy but not to include in budget submissions to the ESFA.

This Risk Register has been completed and adopted by Governors. Systems and procedures are being developed to manage and mitigate these risks.

Fundraising

West Coventry Academy raises funds for a number of registered charities. These funds are raised through sponsorship and donations; there is no obligation for any child nor parent to donate. All funds and donations collected are given to the relevant charity in a timely manner. The Academy do not use external fundraisers.

Plans for future periods

West Coventry Academy will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extracurricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to higher education and ultimately employment.

West Coventry Academy aims to continue its work to maintain and foster further the good relationships that it has developed with its "feeder" primary schools and other professional partnerships. The Governors are aware of the changing structures in Education and as such have received training and investigated various Multi Academy Trust formations. The Governors have gained clarity on the strategic direction and key priorities they wish to be met in relation to being part of a MAT and as a result West Coventry Academy transferred to the Arthur Terry Learning Partnership on 1 January 2022.

Funds held as custodian on behalf of others

There are no funds held as custodian.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 19 December 2022 and signed on its behalf by:



J Jones
Chair of Governors

Governance Statement

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that West Coventry Academy 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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 West Coventry Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the statement of governors' responsibilities. The Board of Governors has formally met 2 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------------|-------------------|-------------------|
| A Neofitou, Head Teacher | 2 | 2 |
| M Rose | 0 | 2 |
| B Sayers | 2 | 2 |
| K Maton | 2 | 2 |
| J Jones, Chair of Governors | 2 | 2 |
| C Rose | 0 | 2 |
| C Denson | 0 | 2 |
| N Green | 2 | 2 |
| T Sarjeant | 0 | 2 |
| H Brookes | 1 | 2 |
| M Palmer, Vice Chair | 0 | 2 |
| A Carey | 1 | 2 |
| C Franklin | 2 | 2 |
| M Dodd | 2 | 2 |

There were 2 full Governing Body meetings in the autumn term 2021, with an additional 1 meeting for the Finance, Risk and Audit sub-committee. Effective oversight of funds was maintained at each of the Finance, Resources Audit meetings where management accounts and budget updates were tabled by the Finance Director and key areas were then taken to the Full Governing Body for discussion.

The Trust has processes in place to manage conflicts of interest including, but not limited to, maintaining up-to-date and complete registers at both Trust Board level and Senior Leadership Team level, and ensuring these registers are updated and considered in the day-to-day management and governance of the Academy Trust, for example, in the procurement of goods and services and tendering for capital projects. Declarations of interests is a standing agenda item at all Trust Board meetings. Furthermore, individual declaration of interests forms are completed annually by all members, trustees, key management and staff.

Governance Statement (continued)

Governance (continued)

The Finance, Risk and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is identified in its terms of reference.

Attendance during the year at meetings was as follows:

| Governor | Meetings attended | Out of a possible |
|------------|-------------------|-------------------|
| A Carey | 1 | 1 |
| N Green | 1 | 1 |
| J Jones | 1 | 1 |
| A Neofitou | 1 | 1 |

Review of value for money

As accounting officer, the Head Teacher 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 Governors 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:

Ensuring the Academy Trust demonstrates value for money and efficient and effective use of resources through:

- a continual focus on best value for money and clearly understands the value of our assets and how they can be used effectively to increase all of our students' rates of progress.
- promoting fair competition through quotations and tenders, in accordance with Financial Regulations, to ensure that goods and services are secured in the most economic, efficient and effective way.
- reviewing systems and procedures within the Academy Trust and regularly challenging these for efficiency and effectiveness. In turn the Governing Body regularly reviews the functions of the Academy Trust, challenging how and why services are provided and setting targets and performance indicators for improvement.

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 West Coventry Academy for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

The Governors have set policies on internal controls which cover the following:

- Type of risks the Academy Trust faces
- The level of risks which they regard as acceptable
- The likelihood of the risks materialising
- The Academy Trust's ability to reduce the incidence and impact on the Academy Trust's operations of risks that do materialise
- The costs of operating particular controls relative to the benefits obtained
- Clarified the responsibility of the Senior Leadership Group to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives

Capacity to handle risk

The Board of Governors 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 Governors 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

Governors receive training which includes information on the main areas of risk to the Academy Trust.

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 Governors
- 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
- identification and management of risks

Governance Statement (continued)

The risk and control framework (continued)

The Board of Governors has decided to buy-in an internal audit service from MLG Education services.

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

- review of governance and management information reporting
- review of efficiency of funding & budgets
- purchasing and procurement
- safeguarding & whistleblowing
- testing of payroll and HR systems
- monthly financial closedown
- review of risk registers
- business interests

On an annual basis, the reviewer reports to the Board of Governors through the audit and risk committee on the operation of the systems of control and on the discharge of the Board of Governors financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Overall, there are several key actions required to improve the governance of the school and to:

- the trust should produce a 3-year budget forecast at the earliest opportunity. The trust should ensure any forecast produced is reasonable and uses assumptions which can be substantiated.
- ensure the correct process and order stationery is used when raising and processing orders.
- ensure all charge card statements are signed and approved for the period they relate.
- ensure all receipts for expenditure should be provided to support all transactions made.

Other key recommendations include:

- to address the matters raised in relation to the management of fixed assets.
- where transactions are substantial, a purchase order form should be used prior to the transaction taking place.
- all payroll files should be reviewed for having a contract of employment at the earliest opportunity.
- revising the scheme of delegation for procurement for values less than the current value included within its finance policy.

Governance Statement (continued)

Review of effectiveness

As accounting officer, the Head Teacher 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 reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- the work of the external auditors.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance Risk and audit and risk 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 Governors on 19 December 2022 and signed on their behalf by:



Jané Jones
Chair of Governors



Ana Neofitou
Accounting Officer

West Coventry Academy
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of West Coventry Academy I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and 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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Governors 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 Academy Trust Handbook 2021.

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.



Ana Neofitou
Accounting Officer
Date: 19 December 2022

West Coventry Academy
(A company limited by guarantee)

**Statement of Governors' responsibilities
for the year ended 31 August 2022**

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial . Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- 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 Governors 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 Governors 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 Governors 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 Governors on 19 December 2022 and signed on its behalf by:



Jane Jones
Chair of Governors

Independent auditors' Report on the financial statements to the Members of West Coventry Academy

Opinion

We have audited the financial statements of West Coventry Academy (the 'academy trust') for the year ended 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 2.2 in the financial statements, which indicates that following approval from the Secretary of State for Education, West Coventry Academy joined the Arthur Terry Learning Partnership on 1 January 2022, a multi academy trust incorporated in England and Wales and the Trust became dormant. As stated in Note 2.2, these events or conditions, along with the other matters as set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

Independent auditors' Report on the financial statements to the Members of West Coventry Academy
(continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Governors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of governors' responsibilities, the Governors (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 Governors 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 Governors 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 Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Independent auditors' Report on the financial statements to the Members of West Coventry Academy
(continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the academy trust through discussions with directors and other management, and from our commercial knowledge and experience of the academy sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the academy trust's legal advisors.

Independent auditors' Report on the financial statements to the Members of West Coventry Academy
(continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

19 December 2022

West Coventry Academy
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to West Coventry Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Coventry Academy during the year 1 September 2021 to 31 August 2022 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 West Coventry Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to West Coventry Academy 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 West Coventry Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Coventry Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Coventry Academy's funding agreement with the Secretary of State for Education dated 21 December 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

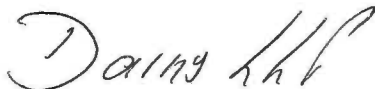
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

West Coventry Academy
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to West Coventry Academy 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Date: 19 December 2022

West Coventry Academy
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|---|------|---------------------------------|-------------------------------|---|--------------------------|--------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 4 | 1,370 | - | 89 | 1,459 | 24,542 |
| Other trading activities | 6 | 14,993 | 11,790 | - | 26,783 | 110,823 |
| Investments | 7 | 13 | - | - | 13 | 34 |
| Charitable activities: | 5 | | | | | |
| Academy trust's educational operations | | 9,177 | 2,108,948 | - | 2,118,125 | 7,096,951 |
| Total income | | 25,553 | 2,120,738 | 89 | 2,146,380 | 7,232,350 |
| Expenditure on: | | | | | | |
| Raising funds | 8 | - | 10,499 | - | 10,499 | 19,898 |
| Charitable activities | 9 | - | 2,552,614 | 596,163 | 3,148,777 | 9,373,125 |
| Transfer of existing academy out of the trust | 29 | - | (5,737,927) | 8,692,610 | 2,954,683 | - |
| Total expenditure | | - | (3,174,814) | 9,288,773 | 6,113,959 | 9,393,023 |
| Net income/(expenditure) | | 25,553 | 5,295,552 | (9,288,684) | (3,967,579) | (2,160,673) |
| Transfers between funds | 17 | (25,553) | 25,553 | - | - | - |
| Net movement in funds before other recognised gains/(losses) | | - | 5,321,105 | (9,288,684) | (3,967,579) | (2,160,673) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 24 | - | 546,000 | - | 546,000 | (71,000) |
| Net movement in funds | | - | 5,867,105 | (9,288,684) | (3,421,579) | (2,231,673) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | - | (5,867,105) | 9,288,684 | 3,421,579 | 5,653,252 |
| Net movement in funds | | - | 5,867,105 | (9,288,684) | (3,421,579) | (2,231,673) |
| Total funds carried forward | | - | - | - | - | 3,421,579 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 54 form part of these financial statements.

West Coventry Academy
(A company limited by guarantee)
Registered number: 07654273

Balance sheet
As at 31 August 2022

| | Note | 2022 £ | 2021 £ |
|---|------|-----------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 14 | - | 9,288,684 |
| Current assets | | | |
| Debtors | 15 | - | 203,326 |
| Cash at bank and in hand | | - | 20,139 |
| | | | <u>223,465</u> |
| Creditors: amounts falling due within one year | 16 | - | (553,570) |
| Net current assets / liabilities | | - | <u>(330,105)</u> |
| Total assets less current liabilities | | - | <u>8,958,579</u> |
| Creditors: amounts falling due after more than one year | | - | - |
| Net assets excluding pension asset / liability | | - | <u>8,958,579</u> |
| Defined benefit pension scheme asset / liability | 24 | - | (5,537,000) |
| Total net assets | | - | <u><u>3,421,579</u></u> |
| Funds of the Academy Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 17 | - | 9,288,684 |
| Restricted income funds | 17 | - | (330,105) |
| Restricted funds excluding pension asset | 17 | - | <u>8,958,579</u> |
| Pension reserve | 17 | - | (5,537,000) |
| Total restricted funds | 17 | - | <u>3,421,579</u> |
| Unrestricted income funds | 17 | - | <u>-</u> |
| Total funds | | - | <u><u>3,421,579</u></u> |

The financial statements on pages 23 to 54 were approved by the Governors, and authorised for issue on 19 December 2022 and are signed on their behalf, by:


J Jones (Chair of Trustees)

The notes on pages 26 to 54 form part of these financial statements.

West Coventry Academy
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2022

| | Note | 2022 £ | 2021 £ |
|---|--------|-----------------|---------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 19 | (20,241) | (32,400) |
| Cash flows from investing activities | 21 | 102 | 12,273 |
| Cash flows from financing activities | 20 | - | (2,750) |
| Change in cash and cash equivalents in the year | | (20,139) | (22,877) |
| Cash and cash equivalents at the beginning of the year | | 20,139 | 43,016 |
| Cash and cash equivalents at the end of the year | 22, 23 | <u>-</u> | <u>20,139</u> |

The notes on pages 26 to 54 form part of these financial statements

1. General information

West Coventry Academy is a private company limited by guarantee, registered in England and Wales. The registered company number is 07654273 and its registered address is West Coventry Academy, Nutbrook Avenue, Tile Hill, Coventry, C4 9PW. The principal activity of the trust is given in the Governors' report.

2. 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.

2.1 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Basis other than going concern

The Governors assess whether the use of the 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 Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. Following approval from the Secretary of State for Education, West Coventry Academy joined the Arthur Terry Learning Partnership on 1 January 2022, a multi academy trust incorporated in England and Wales, and the Trust has become dormant. On the same day the activities, assets and liabilities of West Coventry Academy transferred to the Arthur Terry Learning Partnership. Therefore the going concern basis is not appropriate.

2. Accounting policies (continued)

2.3 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.

- **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.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

2.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **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.

2.5 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.

2.6 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.

2.7 Tangible fixed assets

Assets costing £1,000 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.

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

Depreciation is provided on the following bases:

| | |
|------------------------------|----------------|
| Long-term leasehold property | - 3 - 25 years |
| Long-term leasehold land | - 125 years |
| Furniture and equipment | - 5 years |

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.

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.12 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 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

2.13 Operating leases

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

2. Accounting policies (continued)

2.14 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.

The Academy Trust is a member of a multi-employer plan. Where it is not possible for the Academy Trust to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as defined contribution plan.

2.15 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 Governors.

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.

3. 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 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below:

Depreciation and residual values

Tangible fixed assets are depreciated over their 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. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values, and plans to dispose of an asset before the previously expected date.

The Governors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Notes to the financial statements
for the year ended 31 August 2022

4. Income from donations and capital grants

| | Unrestricted funds 2022 £ | Restricted fixed asset funds 2022 £ | Total funds 2022 £ |
|-----------|------------------------------------|---|-----------------------------|
| Donations | 1,370 | - | 1,370 |
| Grants | - | 89 | 89 |
| | <u>1,370</u> | <u>89</u> | <u>1,459</u> |
| | <u><u>1,370</u></u> | <u><u>89</u></u> | <u><u>1,459</u></u> |
| | | | |
| | Unrestricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
| Donations | 300 | - | 300 |
| Grants | - | 24,242 | 24,242 |
| | <u>300</u> | <u>24,242</u> | <u>24,542</u> |
| | <u><u>300</u></u> | <u><u>24,242</u></u> | <u><u>24,542</u></u> |

5. Funding for the Academy Trust's educational operations

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|--|--|---------------------------------------|
| DfE/ESFA grants | | | |
| General annual grant | - | 2,097,205 | 2,097,205 |
| Other DfE/ESFA grants | | | |
| Pupil premium | - | 86,404 | 86,404 |
| Teacher pension grant | - | 12,584 | 12,584 |
| Teacher pay grant | - | 4,454 | 4,454 |
| ESFA loan write (back)/off | - | (283,857) | (283,857) |
| Other DfE/ESFA grants | - | 16,779 | 16,779 |
| | - | - | 1,933,569 |
| Other government grants | | | |
| Local authority grants | - | 152,691 | 152,691 |
| | - | 152,691 | 152,691 |
| Other income | | | |
| Catering income | 9,177 | - | 9,177 |
| | 9,177 | - | 9,177 |
| COVID-19 additional funding (DfE/ESFA) | | | |
| Recovery premium | - | 9,751 | 9,751 |
| Other DfE/ESFA COVID-19 funding | - | 12,937 | 12,937 |
| | - | 22,688 | 22,688 |
| | 9,177 | 2,108,948 | 2,118,125 |

The Academy Trust has been eligible to claim additional funding in the period from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Other DfE/ESFA COVID-19 funding".

West Coventry Academy
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

5. Funding for the Academy Trust's educational operations (continued)

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|---|--|--|---------------------------------------|
| DfE/ESFA grants | | | |
| General annual grant | - | 6,000,573 | 6,000,573 |
| Other DfE/ESFA grants | | | |
| Pupil premium | - | 259,736 | 259,736 |
| Teachers pension grant | - | 221,765 | 221,765 |
| Teachers pay grant | - | 78,480 | 78,480 |
| ESFA loan write off | - | 283,107 | 283,107 |
| Other DfE/ESFA grants | - | 68,023 | 68,023 |
| | - | - | 6,911,684 |
| Other Government grants | | | |
| Local authority grants | - | 48,623 | 48,623 |
| | - | 48,623 | 48,623 |
| Other income | | | |
| Catering income | 22,544 | - | 22,544 |
| | 22,544 | - | 22,544 |
| COVID-19 additional funding (non-DfE/ESFA) | | | |
| Catch-up premium | - | 74,960 | 74,960 |
| Other DfE/ESFA COVID-19 funding | - | 39,140 | 39,140 |
| | - | 114,100 | 114,100 |
| | 22,544 | 7,074,407 | 7,096,951 |

The academy trust received £74,960 of funding for catch-up premium and costs incurred in respect of this funding totalled £74,960 with a balance of £Nil carried forward into the next financial year.

6. Income from other trading activities

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|-------------------------|--|--|---------------------------------------|
| Departmental activities | - | 11,790 | 11,790 |
| Hire of facilities | 14,993 | - | 14,993 |
| | <u>14,993</u> | <u>11,790</u> | <u>26,783</u> |

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------|--|--|---------------------------------------|
| Departmental activities | - | 83,416 | 83,416 |
| Hire of facilities | 27,407 | - | 27,407 |
| | <u>27,407</u> | <u>83,416</u> | <u>110,823</u> |

7. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---------------|--|---------------------------------------|
| Bank interest | 13 | 13 |
| | <u>13</u> | <u>13</u> |

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------|--|---------------------------------------|
| Bank interest | 34 | 34 |
| | <u>34</u> | <u>34</u> |

Notes to the financial statements
for the year ended 31 August 2022

8. Expenditure

| | Staff Costs 2022 £ | Premises 2022 £ | Other 2022 £ | Total 2022 £ |
|---|--|-------------------------------------|----------------------------------|----------------------------------|
| Expenditure on raising funds: | | | | |
| Direct costs | - | - | 10,499 | 10,499 |
| Educational operations: | | | | |
| Direct costs | 1,600,882 | - | 162,438 | 1,763,320 |
| Allocated support costs | 479,548 | 711,484 | 194,425 | 1,385,457 |
| Transfer of existing academy out of the trust | - | - | 2,954,683 | 2,954,683 |
| | <u>2,080,430</u> | <u>711,484</u> | <u>3,322,045</u> | <u>6,113,959</u> |

| | Staff Costs 2021 £ | Premises 2021 £ | Other 2021 £ | Total 2021 £ |
|-------------------------------|--|-------------------------------------|----------------------------------|----------------------------------|
| Expenditure on raising funds: | | | | |
| Direct costs | - | - | 19,898 | 19,898 |
| Educational operations: | | | | |
| Direct costs | 4,851,617 | - | 421,417 | 5,273,034 |
| Allocated support costs | 1,572,401 | 2,141,678 | 386,012 | 4,100,091 |
| | <u>6,424,018</u> | <u>2,141,678</u> | <u>827,327</u> | <u>9,393,023</u> |

9. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|------------------------|--|---|---------------------------------------|
| Educational operations | 1,763,320 | 1,385,457 | 3,148,777 |

| | Activities undertaken directly 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|------------------------|--|---|---------------------------------------|
| Educational operations | 5,273,034 | 4,100,091 | 9,373,125 |

Analysis of direct costs

| | Total funds 2022 £ | Total funds 2021 £ |
|--------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 1,590,801 | 4,800,470 |
| Educational supplies | 124,478 | 327,449 |
| Examination fees | 35,404 | 57,902 |
| Staff development and training | 1,801 | 13,761 |
| Agency staff | 10,081 | 51,147 |
| School fund | 755 | 22,305 |
| | 1,763,320 | 5,273,034 |

9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2022 £ | Total funds 2021 £ |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Pension finance costs | 30,000 | 80,000 |
| Staff costs | 513,548 | 1,572,401 |
| Depreciation | 596,163 | 1,803,723 |
| Technology costs | - | 7,437 |
| Maintenance of property & equipment | 47,142 | 128,829 |
| Cleaning | 8,417 | 48,985 |
| Rent & rates | 8,724 | 24,732 |
| Energy costs | 75,624 | 169,003 |
| Insurance | 7,169 | 23,298 |
| Security & transport | 4,930 | 8,643 |
| Catering | 30,024 | 69,785 |
| Other support costs | 20,441 | 84,578 |
| Auditors remuneration | 13,040 | 8,350 |
| Legal & professional fees | 30,235 | 70,327 |
| | <u>1,385,457</u> | <u>4,100,091</u> |

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------------------|-------------------------|
| Operating lease rentals | 34,432 | 91,348 |
| Depreciation of tangible fixed assets | 596,163 | 1,803,723 |
| Fees paid to auditors for: | | |
| - audit | 9,900 | 9,900 |
| - other services | 1,300 | 1,240 |
| | <u>641,795</u> | <u>1,916,211</u> |

Notes to the financial statements
for the year ended 31 August 2022

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2022 | 2021 |
|---------------------------|------------------|-------------|
| | £ | £ |
| Wages and salaries | 1,452,498 | 4,507,688 |
| Social security costs | 145,543 | 441,139 |
| Pension costs | 506,308 | 1,393,811 |
| | 2,104,349 | 6,342,638 |
| Agency staff costs | 10,081 | 51,147 |
| Staff restructuring costs | - | 30,233 |
| | 2,114,430 | 6,424,018 |

Staff restructuring costs comprise:

| | 2022 | 2021 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Redundancy payments | - | 10,233 |
| Other restructuring costs | - | 20,000 |
| | - | 30,233 |

b. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual redundancy and severance payments totalling £Nil (2020/21: £20,000). Individually, the payments were: £Nil (2020/21: £10,000 & £10,000).

c. Staff numbers

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

| | 2022 | 2021 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 82 | 77 |
| Administration and support | 57 | 66 |
| Management | 7 | 7 |
| | 146 | 150 |

Notes to the financial statements
for the year ended 31 August 2022

11. Staff (continued)

d. Higher paid staff

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

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £70,001 - £80,000 | 2 | 2 |
| In the band £80,001 - £90,000 | - | 1 |
| In the band £90,001 - £100,000 | 1 | - |

e. Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £190,433 (2021 - £606,128).

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

| | | 2022 | 2021 |
|--------------------------|----------------------------|-------------|-------------|
| | | £000 | £000 |
| Christopher Denson | Remuneration | 10 - 15 | 40 - 45 |
| | Pension contributions paid | 0 - 5 | 5 - 10 |
| David Jones | Remuneration | | 40 - 45 |
| | Pension contributions paid | | 10 - 15 |
| Natalie Green | Remuneration | 5 - 10 | 15 - 20 |
| | Pension contributions paid | 0 - 5 | 0 - 5 |
| A Neofitou, Head Teacher | Remuneration | 30 - 35 | 85 - 90 |
| | Pension contributions paid | 5 - 10 | 20 - 25 |
| C Franklin | Remuneration | 5 - 10 | 15 - 20 |
| | Pension contributions paid | 0 - 5 | 0 - 5 |

No expenses were reimbursed to the Governors during the year ended 31 August 2022 (2021 - £Nil to Governors).

West Coventry Academy
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

13. Governors' and Officers' insurance

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

14. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Total £ |
|---------------------------------------|---|------------------------------------|--------------|
| Cost | | | |
| At 1 September 2021 | 14,827,005 | 980,599 | 15,807,604 |
| Transfer out to another academy trust | (14,827,005) | (980,599) | (15,807,604) |
| At 31 August 2022 | - | - | - |
| At 1 September 2021 | 5,625,097 | 893,823 | 6,518,920 |
| Charge for the year | 582,870 | 13,293 | 596,163 |
| Transfer out to another academy trust | (6,207,967) | (907,116) | (7,115,083) |
| At 31 August 2022 | - | - | - |
| Net book value | | | |
| At 31 August 2022 | - | - | - |
| At 31 August 2021 | 9,201,908 | 86,776 | 9,288,684 |

Included in the net book value of property displayed above are the following amounts ascribable to land:

| | 2022 £ | 2021 £ |
|---------------------------------------|-------------|-----------|
| Long-term leasehold land | 3,861,973 | 3,873,200 |
| Transfer out to another academy trust | (3,861,973) | - |
| | - | 3,873,200 |

Notes to the financial statements
for the year ended 31 August 2022

15. Debtors

| | 2022 | 2021 |
|--------------------------------|-------------|----------------|
| | £ | £ |
| Trade debtors | - | 3,781 |
| Vat recoverable | - | 12,206 |
| Prepayments and accrued income | - | 187,339 |
| | <u>-</u> | <u>203,326</u> |
| | <u>-</u> | <u>203,326</u> |

16. Creditors: Amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|-------------|----------------|
| | £ | £ |
| Salix loan | - | 750 |
| ESFA recoverable funding loan | - | - |
| Trade creditors | - | 151,296 |
| Other taxation and social security | - | 106,266 |
| Other creditors | - | 111,950 |
| Accruals and deferred income | - | 183,308 |
| | <u>-</u> | <u>553,570</u> |
| | <u>-</u> | <u>553,570</u> |

Salix loans are provided on CIF funded projects at 0% interest.

As at 31 December 2021, the Academy Trust was holding funds of £41,417 received in advance for school trips taking place in 2022, and funds of £18,232 received in advance relating to rates relief, teacher pay grant, and teacher pension grant.

The ESFA recoverable loan represents the amount outstanding to the ESFA. It was provided at 0% interest. The ESFA has confirmed that it will be seeking to recover the outstanding balance over a period of 2 years from the beginning of the 2022/23 academic year as a deduction from the General Annual Grant (GAG). As a result, the amount has been re-released from income during the period prior to the West Coventry Academy joining Arthur Terry Learning Partnership on 1 January 2022

Notes to the financial statements
for the year ended 31 August 2022

17. Statement of funds

| | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2022 £ |
|-------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | - | 25,553 | - | (25,553) | - | - |
| Restricted general funds | | | | | | |
| General Annual Grant | (330,105) | 2,097,205 | (1,792,653) | 25,553 | - | - |
| Pupil Premium | - | 86,404 | (86,404) | - | - | - |
| Teachers pension grant | - | 12,584 | (12,584) | - | - | - |
| Teachers pay grant | - | 4,454 | (4,454) | - | - | - |
| Growth fund grant | - | 152,691 | (152,691) | - | - | - |
| ESFA loan write off | - | (283,857) | 283,857 | - | - | - |
| Other DfE/ESFA grants | - | 16,779 | (16,779) | - | - | - |
| Other income | - | 11,790 | (11,790) | - | - | - |
| Recovery premium | - | 9,751 | (9,751) | - | - | - |
| Other DfE/ESFA COVID-19 Funding | - | 12,937 | (12,937) | - | - | - |
| Pension reserve | (5,537,000) | - | 4,991,000 | - | 546,000 | - |
| | (5,867,105) | 2,120,738 | 3,174,814 | 25,553 | 546,000 | - |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset funds | 9,288,684 | 89 | (9,288,773) | - | - | - |
| Total Restricted funds | 3,421,579 | 2,120,827 | (6,113,959) | 25,553 | 546,000 | - |
| Total funds | 3,421,579 | 2,146,380 | (6,113,959) | - | 546,000 | - |

17. Statement of funds (continued)

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy Trust. Restricted general funds represents grants and other income received for the Academy's operational activities and development.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status and through which all the local government pension scheme movements are recognised.

The restricted fixed asset fund has been set up to recognise the tangible assets gifted to the Academy Trust upon conversion, and any capital additions since conversion, which represents leasehold land and buildings and all items of fixtures and fittings included therein. Depreciation against these assets is allocated to the fund.

On 1 September 2016 following the closure of the neighbouring boys' academy, the students were admitted to Tile Hill Wood School, now named West Coventry Academy. The transition of these students and late notice of the GAG funds resulted in costs in excess of income.

The Academy Trust is taking the following action to return these funds to surplus:

The Academy Trust sought financial assistance from the ESFA for the academic year 2017/18. This funding was secured in the form of part irretrievable and part retrievable funds. With this funding secured, the Academy Trust was able to function and balance the budget. There was an agreed three-year plan in place to return retrievable funds to the ESFA beginning in September 2019. The repayments were made inline with the payment plan during the year ended 31 August 2020, however to assist managing future cashflow, the ESFA agreed a repayment holiday for 12 months from 1 September 2020. Following discussions with the ESFA during the 2020/21 academic year, it was confirmed that the ESFA would not seek to recover the outstanding balance and therefore the liability was released to income. However, following discussions with the ESFA during the 2021/22 academic year, it was confirmed that the ESFA would be seeking to recover the outstanding balance over a period of 2 years commencing 1 September 2022. Therefore, the liability was re-released from income in the period to 31 December 2021, pre transfer to another academy trust.

The Academy Trust has consulted with a School Resource Management Advisor to support the trust to make best use of the available resource to provide an outstanding education for students.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 December 2021.

Notes to the financial statements
for the year ended 31 August 2022

17. Statement of funds (continued)

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

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | - | 50,285 | - | (50,285) | - | - |
| Restricted general funds | | | | | | |
| General Annual Grant | (311,152) | 6,000,573 | (6,082,050) | 62,524 | - | (330,105) |
| Pupil Premium | - | 259,736 | (259,736) | - | - | - |
| Teachers pension grant | - | 221,765 | (221,765) | - | - | - |
| Teachers pay grant | - | 78,480 | (78,480) | - | - | - |
| ESFA loan write off | - | 283,107 | (283,107) | - | - | - |
| Other DfE/ESFA grants | - | 68,023 | (68,023) | - | - | - |
| Other government grants | - | 48,623 | (48,623) | - | - | - |
| Other income | - | 83,416 | (83,416) | - | - | - |
| Catch-up premium | - | 74,960 | (74,960) | - | - | - |
| Other DfE/ESFA COVID-19 Funding | - | 39,140 | (39,140) | - | - | - |
| Pension reserve | (5,116,000) | - | (350,000) | - | (71,000) | (5,537,000) |
| | <u>(5,427,152)</u> | <u>7,157,823</u> | <u>(7,589,300)</u> | <u>62,524</u> | <u>(71,000)</u> | <u>(5,867,105)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset funds | 11,080,404 | 24,242 | (1,803,723) | (12,239) | - | 9,288,684 |
| Total Restricted funds | <u>5,653,252</u> | <u>7,182,065</u> | <u>(9,393,023)</u> | <u>50,285</u> | <u>(71,000)</u> | <u>3,421,579</u> |
| Total funds | <u><u>5,653,252</u></u> | <u><u>7,232,350</u></u> | <u><u>(9,393,023)</u></u> | <u><u>-</u></u> | <u><u>(71,000)</u></u> | <u><u>3,421,579</u></u> |

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Total funds 2022 £ |
|--|-----------------------------|
| Tangible fixed assets | - |
| Current assets | - |
| Creditors due within one year | - |
| Provisions for liabilities and charges | - |
| Total | - |

Analysis of net assets between funds - prior year

| | Restricted funds 2021 £ | Restricted fixed asset funds 2021 £ | Total funds 2021 £ |
|--|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | 9,288,684 | 9,288,684 |
| Current assets | 223,465 | - | 223,465 |
| Creditors due within one year | (553,570) | - | (553,570) |
| Provisions for liabilities and charges | (5,537,000) | - | (5,537,000) |
| Total | (5,867,105) | 9,288,684 | 3,421,579 |

Notes to the financial statements
for the year ended 31 August 2022

19. Reconciliation of net expenditure to net cash flow from operating activities

| | 2022 £ | 2021 £ |
|---|--------------------|-------------|
| Net expenditure for the year (as per statement of financial activities) | (3,967,579) | (2,160,673) |
| Adjustments for: | | |
| Depreciation | 596,163 | 1,803,723 |
| Capital grants from DfE and other capital income | (89) | (24,242) |
| Interest receivable | (13) | (34) |
| Defined benefit pension scheme cost less contributions payable | 97,000 | 270,000 |
| Defined benefit pension scheme finance cost | 30,000 | 80,000 |
| (Increase)/decrease in debtors | (12,312) | 161,243 |
| Increase/(decrease) in creditors | 247,906 | (162,417) |
| Net deficit on transfer of academy out of the trust | 2,988,683 | - |
| Net cash used in operating activities | (20,241) | (32,400) |

20. Cash flows from financing activities

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Repayments of borrowing | - | (2,750) |
| Net cash provided by/(used in) financing activities | - | (2,750) |

21. Cash flows from investing activities

| | 2022 £ | 2021 £ |
|--|------------|-----------|
| Dividends, interest and rents from investments | 13 | 34 |
| Purchase of tangible fixed assets | - | (12,003) |
| Capital grants from DfE Group | 89 | 24,242 |
| Net cash provided by investing activities | 102 | 12,273 |

22. Analysis of cash and cash equivalents

| | 2022 | 2021 |
|--|-------------|---------------|
| | £ | £ |
| Cash in hand and at bank | - | 20,139 |
| Total cash and cash equivalents | - | 20,139 |

23. Analysis of changes in net debt

| | At 1 | Cash flows | ESFA | Other non- |
|--------------------------|------------------|-------------------|--------------------|-------------------|
| | September | £ | recoverable | cash |
| | 2021 | £ | loan (non- | changes |
| | £ | £ | cash) | £ |
| Cash at bank and in hand | 20,139 | (204,166) | - | 184,027 |
| Debt due within 1 year | (750) | - | (42,400) | 43,150 |
| Debt due after 1 year | - | - | (241,457) | 241,457 |
| | 19,389 | (204,166) | (283,857) | 468,634 |

The net debt of West Coventry Academy was transferred to the Arthur Terry Learning Partnership on 1 January 2022.

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £Nil were payable to the schemes at 31 December 2021 (2021 - £111,950) and are included within creditors.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

24. Pension commitments (continued)

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period to 31 December 2021 amounted to £255,000 (2021 - £753,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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 period to 31 December 2021 was £197,000 (2021 - £412,000), of which employer's contributions totalled £169,000 (2021 - £339,000) and employees' contributions totalled £ 28,000 (2021 - £73,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5.5 - 12.5 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.

Notes to the financial statements
for the year ended 31 August 2022

24. Pension commitments (continued)

Principal actuarial assumptions

| | 31 December 2021 % | 31 August 2021 % |
|--|-----------------------------|------------------------|
| Rate of increase in salaries | 3.90 | 3.90 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.90 |
| Discount rate for scheme liabilities | 1.90 | 1.65 |

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

| | 31 December 2021 Years | 31 August 2021 Years |
|----------------------|---------------------------------|----------------------------|
| Retiring today | | |
| Males | 21.2 | 21.6 |
| Females | 23.6 | 24.0 |
| Retiring in 20 years | | |
| Males | 22.9 | 23.4 |
| Females | 25.4 | 25.8 |

Sensitivity analysis

| | 31 December 2021 £000 | 31 August 2021 £000 |
|--|--------------------------------|---------------------------|
| Discount rate +0.1% | (219) | (248) |
| Discount rate -0.1% | 219 | 254 |
| Mortality assumption - 1 year increase | 454 | 521 |
| Mortality assumption - 1 year decrease | (454) | (499) |
| CPI rate +0.1% | 187 | 224 |
| CPI rate -0.1% | (187) | (219) |
| Salary increase +0.1% | 29 | 27 |
| Salary increase -0.1% | (29) | (27) |

24. Pension commitments (continued)

Share of scheme assets

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

| | At 31 December 2022 | At 31 August 2021 |
|-------------------------------------|------------------------------------|------------------------------|
| | £ | £ |
| Equities | 4,174,000 | 3,794,000 |
| Gilts/Other bonds | 1,541,000 | 895,000 |
| Property | 450,000 | 437,000 |
| Cash and other liquid assets | 257,000 | 229,000 |
| Other | - | 871,000 |
| Total market value of assets | 6,422,000 | 6,226,000 |

The actual return on scheme assets was £23,000 (2021 - £911,000).

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

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Current service cost | (266,000) | (609,000) |
| Interest income | 35,000 | 82,000 |
| Interest cost | (65,000) | (162,000) |
| Total amount recognised in the Statement of financial activities | (296,000) | (689,000) |

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

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September | 11,763,000 | 10,111,000 |
| Current service cost | 266,000 | 609,000 |
| Interest cost | 65,000 | 162,000 |
| Employee contributions | 28,000 | 73,000 |
| Actuarial (gains)/losses | (558,000) | 900,000 |
| Benefits paid | (24,000) | (92,000) |
| Transferred out on existing academies leaving the trust | (11,540,000) | - |
| At 31 August | - | 11,763,000 |

24. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

| | 2022 £ | 2021 £ |
|---|--------------------|------------------|
| At 1 September | 6,226,000 | 4,995,000 |
| Interest income | 35,000 | 82,000 |
| Actuarial (losses)/gains | (12,000) | 829,000 |
| Employer contributions | 169,000 | 339,000 |
| Employee contributions | 28,000 | 73,000 |
| Benefits paid | (24,000) | (92,000) |
| Transferred out on existing academies leaving the trust | (6,422,000) | - |
| At 31 August | - | 6,226,000 |

25. Operating lease commitments

At 31 December 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £ | 2021 £ |
|--|-----------|----------------|
| Not later than 1 year | - | 110,798 |
| Later than 1 year and not later than 5 years | - | 199,243 |
| | - | 310,041 |

All lease commitments were transferred as at 1 January 2022 to Arthur Terry Learning Partnership.

26. Members' liability

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

27. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

28. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the period to 31 August 2021 the Academy Trust received £12,055 and disbursed £1,408 from the fund. An amount of £10,647 is included in pre-transfer other creditors relating to undistributed funds that is repayable to ESFA. This was transferred out on the Academy joining another Academy Trust.

Comparatives for the accounting period ending 31 August 2021 are £19,177 received, £23,529 disbursed and £Nil included within other creditors.

West Coventry Academy
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2022

29. Transfer out on academies leaving the academy trust

On 1 January 2022, the academy trust transferred out its operations and assets and liabilities to Arthur Terry Learning Partnership.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred are recognised as an expense in the statement of financial activities as charitable expenditure - transfer out of academy trust. The transfer was for £Nil consideration.

West Coventry Academy

| | Transfer out on academy leaving the trust £ |
|---------------------------------------|--|
| Tangible fixed assets | |
| Long-term leasehold property | 8,619,038 |
| Furniture and equipment | 73,483 |
| Current assets | |
| Debtors due within one year | 215,638 |
| Cash at bank and in hand | 22 |
| Liabilities | |
| Creditors due within one year | (594,041) |
| Creditors due after one year | (241,457) |
| Pensions | |
| Pensions - pension scheme assets | 6,422,000 |
| Pensions - pension scheme liabilities | (11,540,000) |
| Net assets | <u><u>2,954,683</u></u> |