

Company Registration Number: 07654273 (England and Wales)

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**WEST COVENTRY ACADEMY**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

**Governors**

Roger Moore, (resigned as Chair 13/12/2017)<sup>1,2,3,4</sup>  
Samantha Grierson, Vice Chair (resigned 1 September 2016)<sup>1,2</sup>  
Carol Arkley<sup>1,2</sup>  
Bryan Sayers<sup>1,3,4</sup>  
Deborah Martin-Williams<sup>1,2</sup>  
Peter Wall (resigned 1 June 2016)<sup>1</sup>  
Gina O'Connor, Head Teacher<sup>1,2,3,4</sup>  
Kevin Maton<sup>1,4</sup>  
Amanda Taylor<sup>1,2,3</sup>  
Maxine Kelsall<sup>1,2,4</sup>  
Allison Evering<sup>1,2,4</sup>  
Tracie Hardie (resigned 2 February 2017)<sup>1,4</sup>  
Elaine Yates, Chair (appointed Chair 13/12/2017)<sup>1,3,4</sup>  
Chris Rose<sup>1,2</sup>  
Yusef Raja<sup>1,2</sup>  
Donna Bogusz (resigned 30 September 2016)  
Christopher Denson<sup>1,2,3</sup>  
Pat Flavell<sup>1,4</sup>  
Natalie Woodward<sup>1,2,4</sup>  
David Jones (appointed 7 November 2016)<sup>1</sup>  
Mark Dodd (appointed 12 December 2016)<sup>1,2,4</sup>  
Tracy Sarjeant (appointed 12 December 2016)<sup>1,2,4</sup>

- <sup>1</sup> Governing Body
- <sup>2</sup> Finance, Resources and Audit committee
- <sup>3</sup> Personnel committee
- <sup>4</sup> Quality standards committee

**Company registered number**

07654273

**Company name**

West Coventry Academy

**Principal and registered office**

Tile Hill Wood School and Language College  
Nutbrook Avenue, Tile Hill  
Coventry  
CV4 9PW

**Company secretary**

Malcolm Gardner

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

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**Advisers (continued)**

**Senior management team**

Gina O'Connor, Headteacher  
Chris Paton, Deputy Head  
Malcolm Gardner, Assistant Head  
Ana Neofitou, Assistant Head  
Sam Tasker, Assistant Head  
Karen Weston, Assistant Head  
Bertram Richter, Assistant Head

**Independent auditors**

Moore Stephens LLP  
35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

**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

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

**Structure, governance and management**

**a. CONSTITUTION**

The Academy Trust is a charitable company limited by guarantee and an exempt charity. On 22 July 2017 the academy changed their name from Tile Hill Wood School and Language College to West Coventry Academy.

The charitable company's Memorandum , 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 purpose of company law.

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

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.

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

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

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

The Academy's Articles 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 Articles 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

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**WEST COVENTRY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- d) A minimum of 2 Parent Governors appointed under Articles 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 Article 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 due to the fact that an Academy has not yet 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 eligible for re-appointment or re-election

**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

The Academy has adopted the City Council's Induction Training Scheme for Governors plus in-house support. Training and induction for new Governors will depend upon their existing experience. Governors are given the opportunity to attend training sessions at any given time during the year. Induction will include legal, educational and financial matters.

All Governors attended a training session in May 2012 on the roles and responsibilities of being an Academy Governor. Each year Governors are offered updates on relevant issues and changes in legislation.

The Governing Body is responsible for the strategic direction of the Academy. 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 are three Sub Committees in place to which specific responsibilities are delegated by the Full Governing Body.

**Finance, Resources and Audit**

This committee meets at least termly to consider the financial position of the Academy. It has delegated powers to approve revenue and capital expenditure, recommend the approval of the Academy's budget and approval of disposal assets. The Committee also reviews issues relating to Health & Safety, Premises and Policy.

**Quality and Standards**

This committee meets at least termly to consider the educational progress of the Academy towards its objectives, the content of its curriculum, student activities and achievement.

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**WEST COVENTRY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Personnel Committee**

This committee meets at least termly to consider staffing establishment and structure based upon the Headteacher's recommendations, to ensure that the necessary resources are available to ensure that the Academy complies with safeguarding requirements on DBS checks. It also considers actions following personnel advice and implements procedures for the management of change. It reviews the Academy's compliance with statutory obligations regarding pay and conditions.

**f. ORGANISATIONAL STRUCTURE**

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Academy. The Headteacher has delegated to specific budget holders low levels of expenditure. These budget holders are responsible for managing their own subject areas within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis, supported by an Academy Leadership Team. The Academy Leadership Team meets thrice weekly; once to consider diary implications for the coming week, again to discuss strategic issues and thirdly to discuss business and operational matters.

**g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The Academy follows the national guidelines for the pay scales of the leadership group using the size of the school as a criterion. Any annual increments are awarded following the schools performance pay policy and are ratified by a pay awarding sub-committee of the Governors Personnel committee. The Headteachers' performance is managed by two appointed governors and facilitated by an external consultant support.

**h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The Academy is not sponsored through any organisation and receives its funding from Central Government.

The Academy does not have Governors on its Board of Directors who provide sponsorship.

**Objectives and Activities**

**a. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The school converted to Academy status on 11 July 2011. Staff successfully transferred to work at the Academy on this date and the impact upon staff of working for an Academy has been minimal.

There were a number of developments and improvements within the first year of the Academy opening. The introduction of a new uniform for students, the development of a cashless system for catering and school trips and a new VLE system, are continuing to have a good impact on school life.

The objectives in the year were as per the following results table:

	5+ A* - C at GCSE		5+ - A* - C with English and Maths at GCSE	
	Target	Result	Target	Result
2011	78%	79%	63%	63%
2012	83%	85%	63%	60%
2013	85%	77%	60%	54%

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**GOVERNORS' REPORT (continued)**  
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2014	78%	68%	61%	59%
2015	New measures in place		62%	53%
2016	Progress8 -0.02	Attainment 8 49.3	62%	57%
2017	-0.25	41.5	Not measured	

The school also achieved a judgment of GOOD from Ofsted in November 2014.

The main objectives of the Academy during the period ended 31 August 2017 are summarised below:

- To deliver high quality education and care to all pupils within the Academy
- To raise standards and achievement
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To maintain close links with industry and commerce and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

**b. PUBLIC BENEFIT**

The primary purpose of West Coventry Academy Trust is the advancement of education within the local area. To this end, the Academy has continued to develop links with local Primary Schools, which will lead to smooth transition from Primary to Secondary education for the majority of students and in turn this will contribute to the community ethos upheld by the Academy.

The Academy will be giving a high priority to providing public benefit to a cross section of the community regardless of family background. Perhaps the greatest benefit that the Academy can offer is the provision of an education that maximises each student's potential to develop principled, informed, open minded and confident citizens who respect the beliefs of others and who are determined to make a positive contribution to society.

In accordance with legislation the Academy is an exempt Charity. The Governors confirm that they have complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have delivered sessions to Year 5 and 6 students from primary schools. The sessions have related to areas of the national primary science curriculum and have been bespoke to the needs of individual schools. We have provided minibus transport to enable the students to attend and use any equipment, which has been very beneficial to the children. Primary students have also attended science and language lessons delivered by our older students and staff, Gifted and Talented activities, and Maths Challenge Days. We have supported the local primary schools in their curriculum delivery. The Science and Technology departments have delivered lessons.

We also support other local community events, taking students into the community. For example, students from Year 12 have been involved in the Police Youth Forum and Year 11 students participate in the National Challenge scheme which includes a week working in the community.

**Strategic report**

**Achievements and performance**

**a. KEY PERFORMANCE INDICATORS**



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Staff costs as a percentage of total income 2016/17

	Actual / (Target)
Teaching staff	
Academy Support staff	
Total Staffing	

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

The Academy's Governing Body has reviewed its level of expenditure, expected income, including reduction of income due to falling student numbers plus expenditure priorities.

**b. GOING CONCERN**

Although forecasts show that over the next 5 years the Academy will generate positive returns, there remains a potential short term financial concern. This has been partially resolved by working closely with the ESFA who have guaranteed support until April 2018 and then will be in discussions as to the support needed for the remainder of the academic year 2017/18 and the following year 2018/19. The board of trustees had anticipated this short term financial issue as a consequence of the recent transition to West Coventry Academy and so had factored this into the financial planning. The board of trustees believe that the ESFA will provide support and therefore consider it appropriate to prepare the financial statements on the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**c. REVIEW OF ACTIVITIES**

The Academy was successful in securing funding through the 2016/17 Academies Maintenance Fund to carry out roof repairs. Bids will also be submitted to the 2017/18 Academies Maintenance Fund to carry out further refurbishment.

The Academy has accumulated reserves of £9,001,000 as at 31 August 2017. This comprises of:

£12,032,000 Fixed assets  
(£3,122,000) Deficit on Local Government Pension Scheme  
£91,000 Other restricted funds

The Academy has reviewed its staffing and expenditure in light of the continuing reduced numbers and continued pressures on the funding it receives. Voluntary redundancy opportunities were made available to staff in 2016/17. The Academy needs to carefully manage its income and expenditure, in order to meet its target without compromising the quality of education offered in future years. With this in mind the Academy has been working with the ESFA and DfE in securing the future education of the students.

**Financial review**

**a. RESERVES POLICY**

All expenditure is categorised according to the source of funding, including tracking unrestricted reserves. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal.

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**GOVERNORS' REPORT (continued)**  
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**b. INVESTMENTS POLICY**

The Academy manages its cash by reviewing short and medium term requirements for funds. Surplus funds are invested into bank accounts to give the best returns for the period of time the funds are to be invested. These investments are restricted to one institution (Lloyds Bank) to reduce risk.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational area and in relation to the control of finance. They have introduced systems, including operational procedures in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate cover. The Academy has an effective system of internal controls and this is explained in more detail in the Governance Statement.

The major risks to which the Academy is exposed are as follows:

- Loss of/reduction in funding/failure to successfully recruit and retain pupils
- Changes to Government Policy in Education Funding
- Loss of building or facilities preventing the delivery of education
- Loss of members of staff (either sudden or gradually over time)
- Loss of reputation
- Lack of safeguarding of students
- Funding of pension deficits under the LGPS
- Employment Tribunal payments
- Breach of legislation, such as Health and Safety issues.

The Academy Leadership Team have considered these risks. Policies and procedures have been put in place to minimise the risks, including budget management and forecasting procedures, the procurement of adequate insurance cover, investing in staff training and continuing professional development and continued local marketing and advertising highlighting the achievement of our students. We also include a budgeted reserve for staff cover costs and maintain a large number of policies and procedures which protect our staff, students and the Academy, also reducing the risk of safeguarding failures. The pension scheme is reviewed by qualified actuaries on behalf of the Academy. There is currently a deficit on this scheme as disclosed in note 25. The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer, to ensure that the pension scheme is properly funded over time. The Academy engages the support of professional legal advice to help reduce the risk of employment tribunal liability.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The Academy gained a good judgement from OFSTED in November 2014 and will continue to work towards moving from Good to Outstanding. The target for Summer 2017 is to gain a positive Progress 8 measure and to improve the percentage of A\* and B grades at AS level as well as maintaining A level results in line with national average. Work continues to focus on further improving the quality of teaching and learning.

**FUNDS HELD AS CUSTODIAN**

No fund are held as custodian.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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 the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Moore Stephens LLP are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

The Governors' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on its behalf by:



**Elaine Yates**  
**Chair of Trustees**

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**WEST COVENTRY ACADEMY**  
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**GOVERNANCE STATEMENT**

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**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.

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 trustees 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 trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Roger Moore, (resigned as Chair 13/12/2017)	4	5
Samantha Grierson, Vice Chair	0	0
Carol Arkley	3	5
Bryan Sayers	5	5
Deborah Martin-Williams	2	5
Peter Wall	0	0
Gina O'Connor, Head Teacher	5	5
Kevin Maton	3	5
Amanda Taylor	5	5
Maxine Kelsall	0	5
Allison Evering	2	5
Tracie Hardie	2	2
Elaine Yates, Chair (appointed 13/12/2017)	2	5
Chris Rose	3	5
Yusef Raja	5	5
Donna Bogusz	0	0
Christopher Denson	4	5
Pat Flavell	4	5
Natalie Woodward	5	5
David Jones	3	4
Mark Dodd	3	3
Tracy Sarjeant	3	3

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is identified in its terms of reference. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Gina O'Connor, Head Teacher	3	3
Maxine Kelsall	1	3
Natalie Woodward	3	3
Amanda Taylor	3	3
Christopher Denson	1	3
Carol Arkley	0	3

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**GOVERNANCE STATEMENT (continued)**

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Roger Moore, Chair	3	3
Deborah Martin-Williams	3	3
Chris Rose	2	3
Yusef Raja	3	3
Mark Dodd	2	2
Tracy Sarjeant	1	2

The Personnel Committee is also a sub-committee of the main board of trustees. Its purpose is identified in its terms of reference.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Pat Flavell	1	3
Bryan Sayers	1	1
Gina O'Connor, Head Teacher	3	3
Elaine Yates	3	3
Amanda Taylor	3	3
Christopher Denson	1	3
Roger Moore, Chair	1	3

The Quality Standards Committee is also a sub-committee of the main board of trustees. Its purpose is identified in its terms of reference.

Attendance at the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Kevin Maton	3	3
Bryan Sayers	3	3
Gina O'Connor, Head Teacher	3	3
Tracie Hardie	1	3
Elaine Yates	1	3
Maxine Kelsall	2	3
Allison Evering	1	3
Natalie Woodward	3	3
Roger Moore, Chair	3	3
David Jones	2	3

#### **REVIEW OF VALUE FOR MONEY**

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

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

##### **Improving Educational Results**

- Our curriculum is both diverse and balanced to ensure that all students' needs are met appropriately (for example we offer Child care, BTec Travel & Tourism and various college placements)
- Staffing requirements are reviewed each year to ensure that the curriculum is delivered efficiently and appropriately to meet the needs of all students.

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**GOVERNANCE STATEMENT (continued)**

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- Intervention strategies have been put in place, including one-to-one and small group sessions to enable students to achieve their potential, particularly in English & Mathematics. The progress of students is good.
- We focus on different groups of students with different strategies. This shows in our success with G&T students and those with Special Educational Needs and Disabilities.
- We have excellent tracking & monitoring system which ensures that all intervention strategies are targeted at the right students to achieve best value.
- We are extremely pleased with the continuing progress that the students are making from entry to the school to their KS4 results. It is in line with the national average in both English and Mathematics.
- We collaborate with two neighbouring schools to provide an excellent range of opportunities for our students at post 16. We have shared CPD opportunities for staff and jointly provide the learning for the post 16 offer. Our A Level results continue to be good, with progress from GCSE above the national. The majority of our students have progressed to the University of their Choice including Oxford.
- Attendance has increased over the last 3 years and is now slightly above the national average with persistent absence reduced dramatically. Employment of our own EWO has made a contribution to this along with various strategies to improve attendance.

**Financial Performance**

- Financial governance and oversight is strong, with a variety of governors running their own companies to lend their skills and knowledge.
- Management accounts are issued monthly to budget holders to ensure regular monitoring.
- All large spending is costed and shared with Leadership Group and Governors of the Finance sub-committee, which is then challenged appropriately to achieve best value.
- The finance manager has been proactive in assessing each contract and SLA to ensure we are achieving value for money.
- The finance manager has also been proactive in ensuring all expenditure is essential and best value.
- Bids to the Condition Improvement Fund have meant we have new roofing throughout the site and some updated electrical work. We are bidding for further funds in the next round.
- All expenditure is benchmarked against the neighbouring academies to ensure we are not over or underspending in each area.
- The school tendering process ensures that tenders/quotes are obtained to ensure value for money in all major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Coventry Academy for the year 1 September 2016 to 31 August 2017 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 faces
- The level of risks which they regard as acceptable
- The likelihood of the risks materialising
- The Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise
- The costs of operating particular controls relative to the benefits obtained

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**GOVERNANCE STATEMENT (continued)**

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- Clarified the responsibility of the 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
- Embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy
- Developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment and
- Including procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Academy is operating efficiently and effectively
- Its assets are safeguarded against un-authorised use of disposition
- That proper records are maintained and financial information used within the Academy or for publication is reliable
- The Academy complies with relevant laws and regulations.

#### **CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

#### **THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Crompton & Co, the external Responsible Officer, to perform additional checks.

The accountants' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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On a quarterly basis, the accountants report to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Responsible Officer function has been delivered in line with the requirements of the Financial Handbook for Academies during the year and no material control issues were identified. There are currently no control issues which require remedial action. The Responsible Officer's remit is in line with the requirements of the Education and Skills Funding Agency.

**REVIEW OF EFFECTIVENESS**

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

- the work of the external Responsible Officer;
- 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.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 18 December 2017 and signed on their behalf, by:



**Elaine Yates**  
Chair of Trustees



**Gina O'Connor**  
Accounting Officer



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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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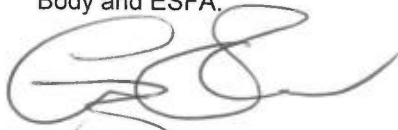
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Gina O'Connor**  
**Accounting Officer**

Date: 18 December 2017

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors (who act as trustees of West Coventry Academy and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 trustees on 18 December 2017 and signed on its behalf by:



**Elaine Yates**  
**Chair of Trustees**

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**WEST COVENTRY ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST  
COVENTRY ACADEMY**

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**OPINION**

We have audited the financial statements of West Coventry Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**BASIS OF OPINION**

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

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 1.3 in the financial statements, which indicates that the academy is projecting costs in excess of income during the next financial period and that the academy will be reliant on support from the Education and Skills Funding Agency in the short term which, if not received, would cast significant doubt on the academy's ability to continue as a going concern. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**OTHER INFORMATION**

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

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**WEST COVENTRY ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST  
COVENTRY ACADEMY**

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

We have nothing to report in this regard.

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

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

- the information given in the Governors' Report including the Strategic Report 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 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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'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's or to cease operations, or have no realistic alternative but to do so.

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**WEST COVENTRY ACADEMY**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST  
COVENTRY ACADEMY**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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



Nicholas Simkins (FCA) (Senior Statutory Auditor)

for and on behalf of

**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS  
18 December 2017

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WEST  
COVENTRY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 23 June 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Coventry Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to West Coventry Academy and the 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Coventry Academy and the 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 Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WEST  
COVENTRY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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



**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

18 December 2017

**WEST COVENTRY ACADEMY**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	1	-	280	281	249
Charitable activities	3	-	8,195	-	8,195	5,523
Other trading activities	4,5	28	362	-	390	292
Investments	6	1	-	-	1	1
<b>TOTAL INCOME</b>		<b>30</b>	<b>8,557</b>	<b>280</b>	<b>8,867</b>	<b>6,065</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	-	178	-	178	142
Charitable activities		-	8,086	607	8,693	6,720
Other expenditure		-	-	-	-	1
<b>TOTAL EXPENDITURE</b>	8	<b>-</b>	<b>8,264</b>	<b>607</b>	<b>8,871</b>	<b>6,863</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	30	293	(327)	(4)	(798)
		-	(423)	423	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		30	(130)	96	(4)	(798)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	204	-	204	(1,131)
<b>NET MOVEMENT IN FUNDS</b>		<b>30</b>	<b>74</b>	<b>96</b>	<b>200</b>	<b>(1,929)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		(30)	(3,105)	11,936	8,801	10,730
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>(3,031)</b>	<b>12,032</b>	<b>9,001</b>	<b>8,801</b>



**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07654273**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Tangible assets	15		12,035		11,937
<b>CURRENT ASSETS</b>					
Stocks	16	-		10	
Debtors	17	209		218	
Cash at bank and in hand		310		48	
		<u>519</u>		<u>276</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	(431)		(307)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>88</u>		<u>(31)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,123</u>		<u>11,906</u>
Defined benefit pension scheme liability	24		(3,122)		(3,105)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>9,001</u>		<u>8,801</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	91		-	
Restricted fixed asset funds	19	12,032		11,936	
Restricted income funds excluding pension liability		<u>12,123</u>		<u>11,936</u>	
Pension reserve		(3,122)		(3,105)	
Total restricted income funds			<u>9,001</u>		<u>8,831</u>
Unrestricted income funds	19		-		(30)
<b>TOTAL FUNDS</b>			<u>9,001</u>		<u>8,801</u>

The financial statements on pages 22 to 43 were approved by the Governors, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

Elaine Yates  
Chair of Trustees



The notes on pages 25 to 43 form part of these financial statements.

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	<u>685</u>	<u>(482)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(703)	(492)
Capital grants from DfE/ESFA		<u>280</u>	<u>249</u>
<b>Net cash used in investing activities</b>		<u>(423)</u>	<u>(243)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>262</u>	<u>(725)</u>
Cash and cash equivalents brought forward		<u>49</u>	<u>774</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>311</u></u>	<u><u>49</u></u>

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

West Coventry Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

**1.3 Going concern**

West Coventry Academy maintained a balanced budget for the year ended 31 August 2017, however is projecting costs in excess of income during the next financial period, despite cutting costs. The board of trustees had anticipated this short term financial issue as a consequence of the recent transition to West Coventry Academy and so had factored this into the financial planning. The trustees are continuing to review the situation, and are in communication with the ESFA to discuss financial support to ensure the long term sustainability of the Academy.

In an attempt to minimise the impact of the funding concerns the Academy is currently investigating a number of avenues to reduce its costs including restructuring, and a whole school review of curriculum. The ESFA have guaranteed support until April 2018 and discussions are continuing as to the support needed for the remainder of 2017/18 and the following year 2018/19. If this additional support was not forthcoming then this would cast significant doubt over the going concern of the Academy.

Given the ongoing work to secure the future viability of the Academy and the projected increase in student numbers from the Local Authority, the trustees believe it is appropriate to prepare these accounts on the going concern basis.

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.5 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 includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	13-26 years (depending on expected remaining useful life)
Long-term leasehold land	-	125 years (over the life of the lease)
Fixtures, fittings 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 incorporating Income and Expenditure Account.

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.8 Stocks**

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

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

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**WEST COVENTRY ACADEMY**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Liabilities and provisions**

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.13 Taxation**

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

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.15 Fund accounting**

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

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

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	1	-	-	1	1
Grants	-	-	280	280	248
	<u>1</u>	<u>-</u>	<u>280</u>	<u>281</u>	<u>249</u>
<i>Total 2016</i>	<u>1</u>	<u>-</u>	<u>249</u>	<u>250</u>	



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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
<b>DfE/ESFA grants</b>				
General annual grant	-	7,938	7,938	5,286
Other DfE/ESFA grants	-	250	250	231
Other grants	-	7	7	6
	<u>-</u>	<u>8,195</u>	<u>8,195</u>	<u>5,523</u>
<i>Total 2016</i>	<u>-</u>	<u>5,523</u>	<u>5,523</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
Trip income	-	148	148	91
Departmental activities	-	214	214	176
Uniform income	6	-	6	5
Hire of facilities	22	-	22	20
	<u>28</u>	<u>362</u>	<u>390</u>	<u>292</u>
<i>Total 2016</i>	<u>25</u>	<u>267</u>	<u>292</u>	

**5. TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
<b>Other trading expenses</b>				
Trip expenditure	-	127	127	96
Departmental activities	-	51	51	37
Depreciation of tangible fixed assets	-	-	-	9
	<u>-</u>	<u>178</u>	<u>178</u>	<u>142</u>
Net expenditure from trading activities	<u>-</u>	<u>(178)</u>	<u>(178)</u>	<u>(142)</u>

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**6. INVESTMENT INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income - local cash	1	-	1	1
<i>Total 2016</i>	<u>1</u>	<u>-</u>	<u>1</u>	

**7. SUPPORT COSTS**

	Governance £000	Educational operations £000	Total 2017 £000	Total 2016 £000
Pension income	-	65	65	71
Technology costs	-	166	166	122
Maintenance of premises and equipment	-	201	201	92
Cleaning	-	18	18	39
Rent & rates	-	20	20	19
Energy costs	-	157	157	131
Insurance	-	26	26	50
Security and transport	-	10	10	3
Catering	-	43	43	40
Other support costs	-	142	142	112
Auditors remuneration	20	-	20	15
Legal and professional fees	8	-	8	7
Wages and salaries	-	919	919	800
National insurance	-	63	63	46
Pension cost	-	370	370	122
Depreciation	-	486	486	434
	<u>28</u>	<u>2,686</u>	<u>2,714</u>	<u>2,103</u>
<i>At 31 August 2016</i>	<u>31</u>	<u>2,072</u>	<u>2,103</u>	

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**8. EXPENDITURE**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on other trading	-	-	178	178	142
Educational operations:					
Direct costs	5,410	-	569	5,979	5,609
Support costs	1,341	862	483	2,686	1,113
	<u>6,751</u>	<u>862</u>	<u>1,230</u>	<u>8,843</u>	<u>6,864</u>
<i>Total 2016</i>	<u>5,032</u>	<u>577</u>	<u>1,255</u>	<u>6,864</u>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Educational operations	5,979	2,714	8,693	6,720
<i>Total 2016</i>	<u>4,617</u>	<u>2,103</u>	<u>6,720</u>	

**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	606	577
Auditors' remuneration - audit	12	12
Auditors' remuneration - other services	4	4
Operating lease rentals	35	28
Amount of stock recognised as an expense	10	8
	<u>671</u>	<u>623</u>

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**11. STAFF COSTS**

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	5,024	3,985
Social security costs	480	329
Operating costs of defined benefit pension schemes	1,034	692
	<u>6,538</u>	<u>5,006</u>
Apprenticeship levy	10	-
Supply teacher costs	203	26
	<u>6,751</u>	<u>5,032</u>

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

	2017 No.	2016 No.
Teachers	95	68
Administration and support	67	74
Management	7	7
	<u>169</u>	<u>149</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	1

The key management personnel of the academy trust comprise the governors and the leadership group as listed on page 1. The total of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £728,362 (2016: £752,672)

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**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 other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2017	2016
		£000	£000
Gina O'Connor, Head Teacher	Remuneration	85-90	85-90
	Pension contributions paid	10-15	10-15
Donna Bogusz	Remuneration	35-40	30-35
	Pension contributions paid	5-10	5-10
Christopher Denson	Remuneration	35-40	30-35
	Pension contributions paid	5-10	5-10
Pat Flavell	Remuneration	10-15	10-15
	Pension contributions paid	0-5	0-5
Natalie Woodward	Remuneration	15-20	15-20
	Pension contributions paid	0-5	0-5

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

**13. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £313 (2016 - £207).

**14. OTHER FINANCE INCOME**

	2017	2016
	£000	£000
Interest income on pension scheme assets	62	86
Interest on pension scheme liabilities	(127)	(157)
	<u>(65)</u>	<u>(71)</u>

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**15. TANGIBLE FIXED ASSETS**

	Freehold property £000	Fixtures and fittings £000	Total £000
<b>Cost</b>			
At 1 September 2016	13,690	745	14,435
Additions	692	12	704
At 31 August 2017	<u>14,382</u>	<u>757</u>	<u>15,139</u>
<b>Depreciation</b>			
At 1 September 2016	2,071	427	2,498
Charge for the year	456	150	606
At 31 August 2017	<u>2,527</u>	<u>577</u>	<u>3,104</u>
<b>Net book value</b>			
At 31 August 2017	<u>11,855</u>	<u>180</u>	<u>12,035</u>
At 31 August 2016	<u>11,619</u>	<u>318</u>	<u>11,937</u>

**16. STOCKS**

	2017 £000	2016 £000
Finished goods and goods for resale	-	10

**17. DEBTORS**

	2017 £000	2016 £000
Trade debtors	6	5
VAT recoverable	117	121
Prepayments and accrued income	86	92
	<u>209</u>	<u>218</u>

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

	2017 £000	2016 £000
Trade creditors	184	113
Other taxation and social security	235	183
Accruals and deferred income	12	11
	431	307

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
General Funds	(30)	30	-	-	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,939	(7,425)	(423)	-	91
Other grants	-	257	(257)	-	-	-
Other restricted income	-	361	(361)	-	-	-
Pension reserve	(3,105)	-	(221)	-	204	(3,122)
	(3,105)	8,557	(8,264)	(423)	204	(3,031)
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	10,943	-	(352)	-	-	10,591
Capital grants	860	280	(228)	-	-	912
Capital expenditure from GAG reserves	133	-	(27)	423	-	529
	11,936	280	(607)	423	-	12,032
Total restricted funds	8,831	8,837	(8,871)	-	204	9,001
Total of funds	8,801	8,867	(8,871)	-	204	9,001

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. During the period, the Academy's GAG income exceeded GAG expenditure and the balance will be carried forward to apply in future years and enable the establishment of a minimum

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. STATEMENT OF FUNDS (continued)**

prudent level of reserves to manage risks and unforeseen costs. Under the Funding Agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2017.

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 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.

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	2	12,032	12,034
Current assets	429	89	-	518
Creditors due within one year	(429)	-	-	(429)
Provisions for liabilities and charges	-	(3,122)	-	(3,122)
	<u>-</u>	<u>(3,031)</u>	<u>12,032</u>	<u>9,001</u>

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

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(4)	(798)
<b>Adjustment for:</b>		
Depreciation charges	607	577
Decrease/(increase) in stocks	9	(5)
Decrease/(increase) in debtors	8	(22)
Increase/(decrease) in creditors	121	(72)
Capital grants from DfE and other capital income	(280)	(249)
Defined benefit pension scheme cost less contributions payable	157	15
Defined benefit pension scheme finance cost	67	72
<b>Net cash provided by/(used in) operating activities</b>	<u>685</u>	<u>(482)</u>



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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	311	49
Total	311	49

**23. CAPITAL COMMITMENTS**

At 31 August 2017 the academy had capital commitments as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	-	-

**24. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £108,056 were payable to the schemes at 31 August 2017 (2016 - 81,202) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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**24. PENSION COMMITMENTS (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £592k (2016 - £461k).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £320k (2016 - £280k), of which employer's contributions totalled £249k (2016 - £220k) and employees' contributions totalled £71k (2016 - £60k). The agreed contribution rates for future years are 15.8% for employers and a range of 5.5% to 8.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.75 %
Rate of increase for pensions in payment / inflation	2.75 %	2.00 %

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**24. PENSION COMMITMENTS (continued)**

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

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

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	2,279	1,592
Government bonds	264	186
Other bonds	139	230
Property	263	213
Cash and other liquid assets	179	172
Other	478	289
Total market value of assets	<u>3,602</u>	<u>2,682</u>

The actual return on scheme assets was £482k (2016 - £415k).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(404)	(235)
Interest income	62	86
Net interest cost	(127)	(157)
Administration expenses	(1)	(1)
Total	<u>(470)</u>	<u>(307)</u>

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**24. PENSION COMMITMENTS (continued)**

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

	2017 £000	2016 £000
Opening defined benefit obligation	5,787	3,918
Current service cost	404	235
Interest cost	127	157
Employee contributions	71	60
Actuarial losses	390	1,460
Estimated benefits paid	(55)	(43)
	<u>6,724</u>	<u>5,787</u>
Closing defined benefit obligation	<u>6,724</u>	<u>5,787</u>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	2,682	2,031
Interest income	62	86
Actuarial losses	594	329
Employer contributions	248	219
Employee contributions	71	60
Estimated benefits paid	(55)	(43)
	<u>3,602</u>	<u>2,682</u>
Closing fair value of scheme assets	<u>3,602</u>	<u>2,682</u>

**25. OPERATING LEASE COMMITMENTS**

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

	2017 £000	2016 £000
<b>Amounts payable:</b>		
Within 1 year	39	35
Between 1 and 5 years	38	44
Total	<u>77</u>	<u>-</u>

**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 £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

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**27. RELATED PARTY TRANSACTIONS**

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

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