

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 2018**

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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 2018**

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**Members**

**Governors**

Roger Moore, Chair to 16/12/2017<sup>1,2,3,4</sup>  
Carol Arkley (resigned 1 September 2018)<sup>1,2</sup>  
Bryan Sayers<sup>1,3,4</sup>  
Deborah Martin-Williams (resigned 14 June 2018)<sup>1,2</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 (resigned 1 December 2017)<sup>1,2,4</sup>  
Elaine Yates, Chair from 16/12/2017<sup>1,3,4</sup>  
Chris Rose<sup>1,2</sup>  
Yusef Raja (resigned 1 June 2018)<sup>1,2</sup>  
Christopher Denson<sup>1,2,3</sup>  
Pat Flavell<sup>1,4</sup>  
Natalie Woodward<sup>1,2,4</sup>  
David Jones<sup>1</sup>  
Mark Dodd<sup>1,2,4</sup>  
Tracy Sarjeant<sup>1,2,4</sup>  
Helen Brookes (appointed 21 December 2017)  
Michelle Palmer (appointed 21 December 2017)  
Michelle Rose (appointed 22 May 2018)

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

**Company registered number**

07654273

**Company name**

West Coventry Academy

**Principal and registered office**

West Coventry Academy  
Nutbrook Avenue, Tile Hill  
Coventry  
CV4 9PW

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

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**Advisers (continued)**

**Company secretary**

Malcolm Gardner

**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 2018**

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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 2017 to 31 August 2018. 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.

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 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
  - d) A minimum of 2 Parent Governors appointed under Articles 53-58

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**WEST COVENTRY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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- 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 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 re-eligible for reappointment 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 2018**

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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. TRADE UNION FACILITY TIME**

**Relevant union officials**

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

**Percentage of time spent on facility time**

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

Percentage of pay bill spent on facility time	£000
Total cost of facility time	23
Total pay bill	4,782
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

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**WEST COVENTRY ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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Time spent on paid trade union activities as a percentage of total paid facility time hours **60 %**

**i. 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.

The Academy changed its name to West Coventry in September 2017 to reflect its change to admit both boys and girls, following the closure of the neighbouring boys' school.

The Academy also introduced a new uniform, logo and branding, all of which involved the students in the design.



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

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

	Progress8	Attainment8
2016	-0.02	49.3
2017	-0.25	41.5
2018	-0.68	41.4

The school also achieved a judgement of GOOD from Ofsted in July 2018.

The main objectives of the Academy during the period ended 31 August 2018 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 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 attended science & language lessons delivered by our older students and staff, Gifted and Talented activities, Maths Challenge Days. We have supported the local primary schools in their curriculum delivery. The Science and Technology departments have delivered lessons. Year 7 numbers have increased to over 200 in September 2018.

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.

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

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**Achievements and performance**

**Strategic report**

**a. KEY PERFORMANCE INDICATORS**

Staff costs as a percentage of total income 2017/18.

	Actual / Target
Teaching staff	69%
Academy support staff	7%
Total staffing	76% / 75% increase from 73.2% due to reduced income)

**b. GOING CONCERN**

The Academy sought financial assistance from the ESFA for the academic year 2017/18, following the closure of the neighbouring boys' academy and admitting the students to Tile Hill Wood School, now named West Coventry Academy. This funding was secured in the form of part irretrievable and part retrievable funds. With this funding secured, the Academy was able to function and balance the budget. There is an agreed three-year plan in place to return the retrievable funds to the ESFA beginning in September 2019. With increased students numbers and a restructuring of staffing, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**c. REVIEW OF ACTIVITIES**

The Academy was unsuccessful in securing funding through the 2017/18 Academies Maintenance Fund to carry out repairs. Bids will be submitted to the 2018/2019 Academies Maintenance Fund to carry out further refurbishment.

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 2018 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.

The Academy has accumulated reserves of £8,598,000 as at 31 August 2018. This comprises of:

Fixed Assets	£11,791,000	
Cash Assets	£285,000	
Other net current liabilities	(£619,000)	
Deficit on Local Government Pension Scheme		(£2,859,000)

The Headteacher, members of the Leadership Group and Governing Body took over the running of the neighbouring boys school Woodlands Academy in April 2016. The students (all boys) are now taught on the Tile Hill Wood site and joined the roll of the school in September 2017 when Woodlands Academy officially closed. Tile Hill Wood School & Language College thus changed its name to West Coventry Academy and now educates both boys and girls. In light of this move and the curriculum it inherited, the academy sought financial

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

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support from the ESFA. This funding was agreed and secured in the form of a drawdown facility during the academic year. There is a re-payment plan agreed with the ESFA and will begin over a three year period starting academic year 2019/20. This drawdown is reflected as a deficit in the accounts, but was used to allow the budget to be balanced. The Academy continues to review its staffing structure and expenditure. With this in mind voluntary redundancy was made available during 2017/18 and will continue to be available as long as it does not compromise the quality of education offered. The number of students starting West Coventry Academy increased in September 2018 and is forecast to rise again in September 2019.

**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.

**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 & Safety issues

The Academy Leadership Team have considered these risks. Policies and procedures have been put into 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 24. The

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

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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.

**Fundraising**

The Academy does not and has not engaged in any formal fundraising efforts during the year.

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The Academy gained a good judgement from OFSTED in July 2018 and will continue to work towards moving from Good to Outstanding. The target for Summer 2018 is to improve the 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.

**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 governing body, as the company directors, on 5 December 2018 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 governing body 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 governing body 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 governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Roger Moore, Chair to 16/12/2017	1	2
Carol Arkley	1	4
Bryan Sayers	4	4
Deborah Martin-Williams	3	3
Gina O'Connor, Head Teacher	4	4
Kevin Maton	3	4
Amanda Taylor	4	4
Maxine Kelsall	1	4
Allison Evinger	1	3
Elaine Yates, Chair from 16/12/2017	4	4
Chris Rose	4	4
Yusef Raja	2	3
Christopher Denson	2	4
Pat Flavell	3	4
Natalie Woodward	3	4
David Jones	3	4
Mark Dodd	3	4
Tracy Sarjeant	4	4
Helen Brookes	1	2
Michelle Palmer	2	2
Michelle Rose	1	1

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**GOVERNANCE STATEMENT (continued)**

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The Finance, Resources and Audit Committee is a sub-committee of the main governing body. Its purpose is identified in its terms of reference. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Gina O'Connor, Head Teacher	3	3
Amanda Taylor	3	3
Christopher Denson	1	3
Carol Arkley	1	3
Roger Moore, Chair to 16/12/2017	1	1
Deborah Martin-Williams	1	2
Chris Rose	2	3
Yusef Raja	2	2
Mark Dodd	2	3
Tracy Sarjeant	3	3

The Personnel Committee is also a sub-committee of the main governing body. 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	3	4
Bryan Sayers	1	4
Gina O'Connor, Head Teacher	4	4
Elaine Yates	3	4
Amanda Taylor	4	4
Christopher Denson	3	4
Roger Moore, Chair	1	2

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

Attendance at meetings the year was as follows:

Governor	Meetings attended	Out of a possible
Kevin Maton	2	3
Bryan Sayers	3	3
Gina O'Connor, Head Teacher	3	3
Elaine Yates	2	1
Maxine Kelsall	3	3
Alison Evering	1	2
Natalie Woodward	2	3
Roger Moore	1	1
David Jones	3	3
Michelle Rose	1	1
Helen Brookes	1	1

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**WEST COVENTRY ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

The accounting officer considers how the 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 available. 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.
- 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 a neighbouring school 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 in line with 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.

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**GOVERNANCE STATEMENT (continued)**

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

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



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

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**GOVERNANCE STATEMENT (continued)**

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**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 governing body;
- regular reviews by the Finance, Resources and Audit 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 governing body 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 reviewer' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a quarterly basis, the external Responsible Officer report to the governing body through the finance and general purposes committee on the operation of the systems of control and on the discharge of the governing body' financial responsibilities.

Crompton & Co have now stepped down from role and it will be reviewed in the coming year. There are currently no control issues which require remedial action.

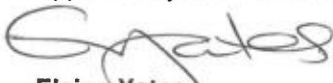
**REVIEW OF EFFECTIVENESS**

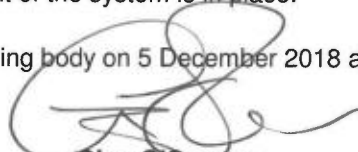
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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, Resources and Audit 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 governing body on 5 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust 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 2017.

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

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

Date: 5 December 2018

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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 2018**

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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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 governing body on 5 December 2018 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 (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

The 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the directors of the academy 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 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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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



Nicholas Simkins (FCA) (Senior Statutory Auditor)

for and on behalf of

**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

Date: 17 December 2018

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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 & 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 & 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 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)

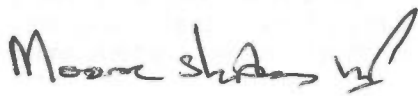
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WEST  
COVENTRY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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



Nicholas Simkins

**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
West Midlands  
B15 1TS

Date: 17 December 2018



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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	116	116	281
Charitable activities	3	-	7,094	-	7,094	8,342
Other trading activities	4,5	25	230	-	255	242
Investments	6	-	-	-	-	1
<b>TOTAL INCOME</b>		<b>25</b>	<b>7,324</b>	<b>116</b>	<b>7,465</b>	<b>8,866</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	-	104	-	104	51
Charitable activities		-	7,814	543	8,357	8,821
<b>TOTAL EXPENDITURE</b>	8	<b>-</b>	<b>7,918</b>	<b>543</b>	<b>8,461</b>	<b>8,872</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	25 (25)	(594) 25	(427) -	(996) -	(6) -
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		-	(569)	(427)	(996)	(6)
Actuarial gains on defined benefit pension schemes	23	-	594	-	594	204
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>25</b>	<b>(427)</b>	<b>(402)</b>	<b>198</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		-	(3,031)	12,031	9,000	8,802
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>(3,006)</b>	<b>11,604</b>	<b>8,598</b>	<b>9,000</b>

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
<b>FIXED ASSETS</b>					
Tangible assets	15		11,791		12,035
<b>CURRENT ASSETS</b>					
Debtors	16	118		209	
Cash at bank and in hand		285		310	
		<u>403</u>		<u>519</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	<u>(357)</u>		<u>(432)</u>	
<b>NET CURRENT ASSETS</b>			<u>46</u>		<u>87</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,837</u>		<u>12,122</u>
<b>CREDITORS:</b> amounts falling due after more than one year	18		<u>(380)</u>		<u>-</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,457</u>		<u>12,122</u>
Defined benefit pension scheme liability	23		<u>(2,859)</u>		<u>(3,122)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>8,598</u>		<u>9,000</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	19	(147)		91	
Restricted fixed asset funds	19	11,604		12,031	
Restricted income funds excluding pension liability		<u>11,457</u>		<u>12,122</u>	
Pension reserve		<u>(2,859)</u>		<u>(3,122)</u>	
Total restricted income funds			<u>8,598</u>		<u>9,000</u>
<b>TOTAL FUNDS</b>			<u>8,598</u>		<u>9,000</u>

The financial statements on pages 23 to 46 were approved by the Governors, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

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



The notes on pages 26 to 46 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	<u>(223)</u>	<u>683</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(299)	(703)
Capital grants from DfE Group		116	280
<b>Net cash used in investing activities</b>		<u>(183)</u>	<u>(423)</u>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		380	-
<b>Net cash provided by financing activities</b>		<u>380</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		(26)	260
Cash and cash equivalents brought forward		311	51
<b>Cash and cash equivalents carried forward</b>	22	<u><u>285</u></u>	<u><u>311</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 2018**

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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 2017 to 2018 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**

West Coventry Academy is a private company limited by guarantee, registered in England and Wales (company number 07654273) and domiciled in England. The address of the registered office is West Coventry Academy, Nutbrook Avenue, Tile Hill, Coventry, CV4 9PW.

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.

The financial statements are presented for the academy as a single entity. The financial statements are presented in Sterling (£), which is the academy's functional currency, and are rounded to whole pound.

**1.3 Going concern**

West Coventry Academy maintained a balanced budget for the year ended 31 August 201, however it projected costs in excess of income during the next financial period, despite cutting costs, due to the late notice of the GAG funds and the transition of the students from Woodlands Academy. The board of trustees were in communication with the ESFA throughout the year discussing the financial support needed to ensure the long term sustainability of West Coventry Academy. The required funding was secured from the ESFA with a number of payments made throughout the year. This resulted in a balanced budget by the end of August 2018. A three-year payment plan is agreed and in place starting September 2019 to return the retrievable funds to the ESFA.

During 2017/18, the academy also put in place a staffing restructure to make further savings for September 2018. With some further restructuring during 2018/19 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 2018**

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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 2018**

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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:

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 Debtors**

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

**1.9 Cash at Bank and in hand**

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

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

**1.10 Liabilities and provisions**

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 notes 17 and 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.

**1.12 Taxation**

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

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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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**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.

**1.14 Fund accounting**

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

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

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

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Donations	-	-	-	-	1
Grants	-	-	116	116	280
	-	-	116	116	281
<i>Total 2017</i>	1	-	280	281	

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
<b>DfE/ESFA grants</b>				
General annual grant	-	6,246	6,246	7,937
Other Dfe/ESFA grants	-	738	738	250
Other grants	-	2	2	7
	-	6,986	6,986	8,194
<b>Other funding</b>				
Trip income	-	108	108	148
	-	108	108	148
	-	7,094	7,094	8,342
<i>Total 2017</i>	-	8,343	8,343	

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Departmental activities	-	230	230	214
Uniform income	4	-	4	6
Hire of facilities	21	-	21	22
	<u>25</u>	<u>230</u>	<u>255</u>	<u>242</u>
<i>Total 2017</i>	<u>28</u>	<u>214</u>	<u>242</u>	

**5. TRADING ACTIVITIES**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>Other trading expenses</b>				
Departmental activities	-	104	104	51
	<u>-</u>	<u>104</u>	<u>104</u>	<u>51</u>
Net expenditure from trading activities	-	(104)	(104)	(51)
	<u>-</u>	<u>(104)</u>	<u>(104)</u>	<u>(51)</u>

**6. INVESTMENT INCOME**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income - local cash	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Total 2017</i>	<u>1</u>	<u>-</u>	<u>1</u>	

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**7. SUPPORT COSTS**

	Governance £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Pension income	-	79	79	65
Technology costs	-	11	11	166
Maintenance of premises and equipment	-	(15)	(15)	201
Cleaning	-	17	17	18
Rent & rates	-	21	21	20
Energy costs	-	134	134	157
Insurance	-	38	38	26
Security and transport	-	6	6	10
Catering	-	43	43	43
Other support costs	-	206	206	142
Auditors remuneration	-	15	15	20
Legal and professional fees	-	11	11	8
Wages and salaries	-	935	935	919
National insurance	-	55	55	63
Pension cost	-	339	339	370
Depreciation	-	473	473	486
	-	<b>2,368</b>	<b>2,368</b>	<b>2,714</b>
<i>Total 2017</i>	<i>28</i>	<i>2,686</i>	<i>2,714</i>	

**8. EXPENDITURE**

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading					178
Direct costs	-	-	104	104	-
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	4,992	-	997	5,989	5,979
Support costs	1,396	630	342	2,368	2,686
	<b>6,388</b>	<b>630</b>	<b>1,443</b>	<b>8,461</b>	<b>8,843</b>
<i>Total 2017</i>	<i>6,751</i>	<i>862</i>	<i>1,230</i>	<i>8,843</i>	

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational operations	5,989	2,368	8,357	8,821
<i>Total 2017</i>	<u>5,979</u>	<u>2,714</u>	<u>8,693</u>	

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

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	542	607
Auditors' remuneration - audit	13	12
Auditors' remuneration - other services	2	4
Operating lease rentals	39	35
Amount of stock recognised as an expense	-	10
	<u>        </u>	<u>        </u>

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**11. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	4,782	5,034
Social security costs	443	480
Operating costs of defined benefit pension schemes	1,042	1,035
	<u>6,267</u>	<u>6,549</u>
Agency staff costs	70	203
	<u>6,337</u>	<u>6,752</u>

**b. Staff numbers**

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
Teachers	77	97
Administration and support	93	94
Management	9	7
	<u>179</u>	<u>198</u>

**c. Higher paid staff**

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1

**d. Key management personnel**

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 £807,631 (2017: £728,362)

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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. 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:

		<b>2018</b>	<i>2017</i>
		<b>£000</b>	<i>£000</i>
Gina O'Connor, Head Teacher	Remuneration	<b>90-95</b>	<i>85-90</i>
	Pension contributions paid	<b>10-15</b>	<i>10-15</i>
Donna Bogusz	Remuneration		<i>35-40</i>
	Pension contributions paid		<i>5-10</i>
Christopher Denson	Remuneration	<b>35-40</b>	<i>35-40</i>
	Pension contributions paid	<b>5-10</b>	<i>5-10</i>
Pat Flavell	Remuneration	<b>10-15</b>	<i>10-15</i>
	Pension contributions paid	<b>0-5</b>	<i>0-5</i>
Natalie Woodward	Remuneration		<i>15-20</i>
	Pension contributions paid		<i>0-5</i>
David Jones	Remuneration	<b>35-40</b>	
	Pension contributions paid	<b>5-10</b>	

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2017 - £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 2018 was £307 (2017 - £313).

**14. OTHER FINANCE INCOME**

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Interest income on pension scheme assets	<b>101</b>	<i>62</i>
Interest on pension scheme liabilities	<b>(180)</b>	<i>(127)</i>
	<b>(79)</b>	<i>(65)</i>

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**15. TANGIBLE FIXED ASSETS**

	Freehold property £000	Furniture and fixtures £000	Total £000
<b>Cost</b>			
At 1 September 2017	14,382	757	15,139
Additions	208	91	299
At 31 August 2018	<u>14,590</u>	<u>848</u>	<u>15,438</u>
<b>Depreciation</b>			
At 1 September 2017	2,527	577	3,104
Charge for the year	447	96	543
At 31 August 2018	<u>2,974</u>	<u>673</u>	<u>3,647</u>
<b>Net book value</b>			
At 31 August 2018	<u>11,616</u>	<u>175</u>	<u>11,791</u>
<i>At 31 August 2017</i>	<u>11,855</u>	<u>180</u>	<u>12,035</u>

**16. DEBTORS**

	2018 £000	2017 £000
Trade debtors	8	6
VAT recoverable	40	117
Prepayments and accrued income	70	86
	<u>118</u>	<u>209</u>

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

	2018 £000	2017 £000
Trade creditors	93	184
Other taxation and social security	200	235
Accruals and deferred income	64	13
	<u>357</u>	<u>432</u>

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**18. CREDITORS: Amounts falling due after more than one year**

	2018 £000	2017 £000
Other loans	380	-

Included within the above are amounts falling due as follows:

	2018 £000	2017 £000
<b>Between two and five years</b>		
Other loans	380	-

Other loans represent the amount outstanding from ESFA with is provided at 0% interest, repayable in three instalments of £171k in 2019/20, £40k in 2020/21 and £169k in 2021/22.

**19. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds	-	25	-	(25)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	91	6,246	(6,509)	25	-	(147)
Other grants	-	740	(740)	-	-	-
Other restricted income	-	338	(338)	-	-	-
Pension reserve	(3,122)	-	(331)	-	594	(2,859)
	(3,031)	7,324	(7,918)	25	594	(3,006)



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**19. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Transfer on Conversion	10,590	-	(370)	-	-	10,220
Capital grants	912	116	(109)	-	-	919
Capital expenditure from GAG reserves	529	-	(64)	-	-	465
	<u>12,031</u>	<u>116</u>	<u>(543)</u>	<u>-</u>	<u>-</u>	<u>11,604</u>
Total restricted funds	<u>9,000</u>	<u>7,440</u>	<u>(8,461)</u>	<u>25</u>	<u>594</u>	<u>8,598</u>
Total of funds	<u><u>9,000</u></u>	<u><u>7,465</u></u>	<u><u>(8,461)</u></u>	<u><u>-</u></u>	<u><u>594</u></u>	<u><u>8,598</u></u>

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 expenditure exceeded GAG income and the deficit will be carried forward to be offset in future years. 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 2018.

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.

The academy is carrying a net deficit of £147,000 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason.

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

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

The Academy sought financial assistance from the ESFA for the academic year 2017/18. This funding was secured in the form of part irretrievable and part retrievable funds. With this funding secured, the Academy was able to function and balance the budget. There is an agreed three-year plan in place to return the retrievable funds to the ESFA beginning in September 2019. With increased students numbers and a restructuring of staffing, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future.

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**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
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)
	<u>(3,105)</u>	<u>8,557</u>	<u>(8,264)</u>	<u>(423)</u>	<u>204</u>	<u>(3,031)</u>
<b>Restricted fixed asset funds</b>						
Transfer on Conversion	10,942	-	(352)	-	-	10,590
Capital grants	860	280	(228)	-	-	912
Capital expenditure from GAG reserves	133	-	(27)	423	-	529
	<u>11,935</u>	<u>280</u>	<u>(607)</u>	<u>423</u>	<u>-</u>	<u>12,031</u>
Total restricted funds	<u>8,830</u>	<u>8,837</u>	<u>(8,871)</u>	<u>-</u>	<u>204</u>	<u>9,000</u>
Total of funds	<u><u>8,800</u></u>	<u><u>8,867</u></u>	<u><u>(8,871)</u></u>	<u><u>-</u></u>	<u><u>204</u></u>	<u><u>9,000</u></u>

**A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:**

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
<b>Unrestricted funds</b>						
General Funds	(30)	30	-	-	-	-
	<u>-</u>	<u>25</u>	<u>-</u>	<u>(25)</u>	<u>-</u>	<u>-</u>

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**19. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	-	14,185	(13,934)	(398)	-	(147)
Other grants	-	997	(997)	-	-	-
Other restricted income	-	699	(699)	-	-	-
Pension reserve	(3,105)	-	(552)	-	798	(2,859)
	<u>(3,105)</u>	<u>15,881</u>	<u>(16,182)</u>	<u>(398)</u>	<u>798</u>	<u>(3,006)</u>

**Restricted fixed asset funds**

Transfer on Conversion	10,942	-	(722)	-	-	10,220
Capital grants	860	396	(337)	-	-	919
Capital expenditure from GAG reserves	133	-	(91)	423	-	465
	<u>11,935</u>	<u>396</u>	<u>(1,150)</u>	<u>423</u>	<u>-</u>	<u>11,604</u>
	<u>8,830</u>	<u>16,277</u>	<u>(17,332)</u>	<u>25</u>	<u>798</u>	<u>8,598</u>
Total of funds	<u><u>8,800</u></u>	<u><u>16,332</u></u>	<u><u>(17,332)</u></u>	<u><u>-</u></u>	<u><u>798</u></u>	<u><u>8,598</u></u>

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	(988)	2	12,776	11,790
Current assets	372	29	-	401
Creditors due within one year	(168)	-	(186)	(354)
Creditors due in more than one year	-	(380)	-	(380)
Provisions for liabilities and charges	246	(3,105)	-	(2,859)
	<u>-</u>	<u>(3,006)</u>	<u>11,604</u>	<u>8,598</u>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017 £000	2017 £000	2017 £000	2017 £000
Tangible fixed assets	-	3	12,031	12,034
Current assets	429	88	-	517
Creditors due within one year	(429)	-	-	(429)
Provisions for liabilities and charges	-	(3,122)	-	(3,122)
	<u>-</u>	<u>(3,031)</u>	<u>12,031</u>	<u>9,000</u>

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

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(996)	(6)
<b>Adjustment for:</b>		
Depreciation charges	543	607
Decrease in stocks	-	9
Decrease in debtors	91	8
(Decrease)/increase in creditors	(76)	121
Capital grants from DfE and other capital income	(116)	(280)
Defined benefit pension scheme cost less contributions payable	252	157
Defined benefit pension scheme finance cost	79	67
<b>Net cash (used in)/provided by operating activities</b>	<u>(223)</u>	<u>683</u>

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

	2018 £000	2017 £000
Cash in hand	285	311
<b>Total</b>	<u>285</u>	<u>311</u>

**23. 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-

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**23. PENSION COMMITMENTS (continued)**

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 £90,904 were payable to the schemes at 31 August 2018 (2017 - 108,056) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £530k (2017 - £592k).

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)).

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**23. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £376k (2017 - £320k), of which employer's contributions totalled £304k (2017 - £249k) and employees' contributions totalled £72k (2017 - £71k). The agreed contribution rates for future years are 20.9% 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:

	<b>2018</b>	<i>2017</i>
Discount rate for scheme liabilities	<b>2.65 %</b>	<i>2.60 %</i>
Rate of increase in salaries	<b>3.80 %</b>	<i>4.20 %</i>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	<i>2.75 %</i>

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

	<b>2018</b>	<i>2017</i>
Retiring today		
Males	<b>21.9 years</b>	<i>21.8 years</i>
Females	<b>24.4 years</b>	<i>24.3 years</i>
Retiring in 20 years		
Males	<b>24.1 years</b>	<i>24.0 years</i>
Females	<b>26.7 years</b>	<i>26.6 years</i>

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**23. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2018 £000</b>	<i>Fair value at 31 August 2017 £000</i>
Equities	2,622	2,279
Government bonds	298	264
Other bonds	153	139
Property	336	263
Cash and other liquid assets	155	179
Other	578	478
	<u>4,142</u>	<u>3,602</u>
Total market value of assets	<u><u>4,142</u></u>	<u><u>3,602</u></u>

The actual return on scheme assets was £46k (2017 - £482k).

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

	<b>2018 £000</b>	<i>2017 £000</i>
Current service cost	(486)	(404)
Interest income	101	62
Net interest cost	(180)	(127)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(68)	-
Administration expenses	(1)	(1)
	<u>(634)</u>	<u>(470)</u>
Total	<u><u>(634)</u></u>	<u><u>(470)</u></u>

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

	<b>2018 £000</b>	<i>2017 £000</i>
Opening defined benefit obligation	6,724	5,787
Current service cost	486	404
Interest cost	180	127
Employee contributions	72	71
Actuarial (gains)/losses	(649)	390
Estimated benefits paid	(86)	(55)
Liabilities assumed on settlements	274	-
	<u>7,001</u>	<u>6,724</u>
Closing defined benefit obligation	<u><u>7,001</u></u>	<u><u>6,724</u></u>

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**23. PENSION COMMITMENTS (continued)**

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

	2018 £000	2017 £000
Opening fair value of scheme assets	3,602	2,682
Interest income	101	62
Actuarial gains/(losses)	(55)	594
Employer contributions	302	248
Employee contributions	72	71
Estimated benefits paid	(86)	(55)
Effect of non-routine settlements	206	-
	<u>4,142</u>	<u>3,602</u>
Closing fair value of scheme assets	<u>4,142</u>	<u>3,602</u>

**24. OPERATING LEASE COMMITMENTS**

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

	2018 £000	2017 £000
<b>Amounts payable:</b>		
Within 1 year	64	39
Between 1 and 5 years	143	38
	<u>207</u>	<u>77</u>
Total	<u>207</u>	<u>77</u>

**25. 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.

**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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