

Company Registration Number: 07654273 (England & Wales)

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Governors' Responsibilities	19
Independent Auditors' Report on the Financial Statements	22
Independent Reporting Accountant's Report on Regularity	23 - 25
Statement of Financial Activities Incorporating Income and Expenditure Account	26 - 27
Balance Sheet	28 - 29
Statement of Cash Flows	30
Notes to the Financial Statements	31 - 56

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Chris Paton, Head Teacher (appointed 1 September 2019)
Michelle Rose (appointed 22 May 2018)
Gina O'Connor, Head Teacher (resigned 31 August 2019)^{1,2,3,4}
Bryan Sayers^{1,3,4}
Kevin Maton^{1,4}
Amanda Taylor^{1,2,3}
Maxine Kelsall (resigned 1 May 2019)^{1,2,4}
Jane Jones, Parent Governor (appointed 15 February 2019)
Elaine Yates, Chair of Governors^{1,3,4}
Chris Rose^{1,2}
Christopher Denson^{1,2,3}
Pat Flavell^{1,4}
Natalie Green (nee Woodward)^{1,2,4}
David Jones¹
Mark Dodd^{1,2,4}
Tracy Sarjeant^{1,2,4}
Helen Brookes
Michelle Palmer
Adam Carey, Parent Governor (appointed 15 February 2019)

- 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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company secretary

Malcolm Gardner

Senior management team

Gina O'Connor, Headteacher (resigned 31 August 2019)
Chris Paton, Headteacher (appointed 01 September 2019)
Malcolm Gardner, Assistant Head
Ana Neofitou, Assistant Head
Sam Tasker, Assistant Head
Karen Weston, Assistant Head
Bertram Richter, Assistant Head

Independent auditors

BDO LLP
Two Snowhill
Birmingham
B4 6GA

Bankers

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

Solicitors

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

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 of Association, Funding Agreement and Articles of Association are the primary governing documents of the Academy Trust.

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

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

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

b. Members' liability

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

c. Governors' indemnities

The Academy has purchased insurance to protect all 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.

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

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

Structure, governance and management (continued)

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
 - 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.

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies 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 on the roles and responsibilities of being an Academy Governor. Each year Governors are offered updates on relevant issues and changes in legislation.

f. Organisational structure

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.

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.

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.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2010

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of 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	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	2
Total pay bill	4,444
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

i. Related parties and other connected charities and organisations

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

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

Objectives and activities (continued)

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.

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

	Progress8	Attainment8
2017	-0.25	41.5
2018	-0.76	40.5
2019	-0.56	40.4

The main objectives of the Academy during the period ended 31 August 2019 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 conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

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

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

Objectives and activities (continued)

b. Public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

West Coventry is located in the south west of Coventry and whilst the majority of the students come from the local area, the academy takes students from about 25 to 30 feeder primary schools across the city.

West Coventry Academy and the Academy Trust of the School is the admission authority. The admission arrangements comply with the Fair Access protocol as detailed in the Admissions Code.

For September 2019, West Coventry Academy's Published Admission Number (PAN) for Year 7 is 237. If there are more requests for the school than there are places available within the school's admission number, places will be allocated in accordance with the following criteria and in the order shown below:

1. Children who, at the time of admission, are in care of a local authority or are provided with accommodation by the authority (looked after children). Also children who were previously looked after but ceased to be so because they were adopted, or became subject to child arrangements order or a special guardianship order. A looked-after child is defined in Section 22 of the Children Act 1989.
2. Children who live in the catchment area served by the school, who have a brother or sister attending the school provided that the brother or sister will be of compulsory school age and will continue to attend West Coventry Academy the following year.
3. Other children who live in the catchment area served by the school.
4. Children living outside the catchment area with a brother or sister who currently attends West Coventry Academy, provided that the brother or sister will be of compulsory school age and will continue to attend the following year.
5. Children by reference by distance to the school.

If it is not possible to meet all of the requests in any one of the categories described above the school will prioritise the requests by reference to distance.

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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

curriculum delivery. The Science and Technology departments have delivered lessons. Year 7 numbers have increased to over 225 in September 2019.

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

Strategic report

Achievements and performance

a. Key performance indicators

Staff costs as a percentage of total income 2018/19.

	Actual
Teaching staff	57%
Academy support staff	23%
Total staff	80%

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.

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

The Academy was successful in securing funding through the 2018/19 Academies Maintenance Fund to carry out improvements to the security of the site by the installation of a locking system to all external doors.

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 2019 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 £7,341,000 as at 31 August 2019. This comprises of:

Fixed Assets	£11,430,000	
Cash Assets	£164,000	
Other net current liabilities	(£276,000)	
Deficit on Local Government Pension Scheme		(£3,690,000)

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 support from the ESFA.

This funding was agreed and secured in the form of a drawdown facility during the academic year. There is a repayment 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 2018/19 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 2019 and is forecast to rise again in September 2020.

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. Investment 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.

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

Strategic report (continued)

Financial review (continued)

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 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

The target for Summer 2020 is to improve the Progress 8 measure and to improve the percentage of A* and B grades at A level as well as improving the Value Added Score for both academic and vocational courses at Post 16. Work continues to focus on further improving the quality of teaching and learning.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

Disclosure of information to auditors

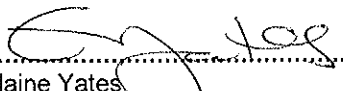
Insofar as the Governors are aware:

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

Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office.

The Governors' Report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 6 December 2019 and signed on its behalf by:


.....
Elaine Yates
(Chair of Trustees)

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that West Coventry Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between West Coventry Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 5 times during the year.

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

Governor	Meetings attended	Out of a possible
David Jones	4	4
Bryan Sayers	3	4
Adam Carey, Parent Governor	2	2
Mark Dodd	4	4
Helen Brookes	3	4
Michelle Palmer	2	4
Chris Rose	3	4
Elaine Yates, Chair of Governors	4	4
Maxine Kelsall	1	1
Pat Flavell	1	4
Kevin Maton	3	4
Michelle Rose	4	4
Tracy Sarjeant	3	4
Natalie Green (nee Woodward)	4	4
Gina O'Connor, Head Teacher	4	4
Amanda Taylor	4	4
Jane Jones, Parent Governor	2	2
Christopher Denson	2	4

There were 5 full Governing Body meetings in 2018-19, with an additional 3 meetings for each of the following sub-committees: Finance, Resources & Audit, Personnel, and Quality & Standards. Effective oversight of funds was maintained at each of the Finance, Resources Audit meetings where management accounts and budget updates were tabled by the Finance Director and key areas were then taken to the Full Governing Body for discussion.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Resource Committee is a sub-committee of the main board of Governors. Its purpose is identified in its terms of reference.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Christopher Denson	0	3
Tracy Sarjeant	3	3
Gina O'Connor	3	3
Amanda Taylor	3	3
Chris Rose	2	3
Natalie Green (nee Woodward)	2	3
Mark Dodd	2	3

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

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Christopher Denson	0	3
Pat Flavell	3	3
Jane Jones	0	1
Gina O'Connor	3	3
Elaine Yates	3	3
Amanda Taylor	2	3
Michelle Palmer	2	3

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 in the year was as follows:

Governor	Meetings attended	Out of a possible
Helen Brookes	3	3
Adam Carey	1	1
Bryan Sayers	2	3
Natalie Green	2	3
Dave Jones	2	3
Jane Jones	1	1
Maxine Kelsall	1	1
Kevin Maton	2	3
Gina O'Connor	2	3
Michelle Rose	3	3
Bryan Sayers	2	3

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Improving Educational Results

- Our curriculum is both diverse and balanced to ensure that all students' needs are met appropriately (for example we offer Mandarin, Japanese, iMedia, BTec in Travel & Tourism and Health & Social Care)
- 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.
- Our A Level results continue to be good, with progress from GCSE above the national. The majority of our students have progressed to the destination of their choice.
- Attendance has increased over the last 3 years and above the national average with persistent absence reduced dramatically.

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 a new locking system to all external doors, significantly improving the security of the site.
- 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.

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Coventry Academy for the year 1 September 2018 to 31 August 2019 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 Senior Leadership Group to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- 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 unauthorised use or disposition
- That proper records are maintained and financial information used within the Academy or for publication is reliable
- The Academy complies with relevant laws and regulations.

Capacity to handle risk

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

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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The governing body considered the need for a specific internal audit function and decided not to appoint an internal auditor. It also decided against the appointment of an external Responsible Officer to perform additional checks.

This situation will be rectified this year with the appointment of an external Responsible Officer.

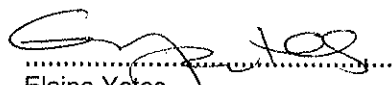
Review of effectiveness

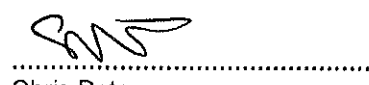
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of Governors and signed on their behalf by:


.....
Elaine Yates
Chair of Governors
Date: 6 December 2019


.....
Chris Paton
Accounting Officer

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of West Coventry Academy I have considered my responsibility to notify the Academy Trust board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Governors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of Governors and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of Governors and ESFA:

The following matters of irregularity have been brought to my attention and will be addressed:

Matter 1: The academy has not delivered assurance through independent challenge as no independent review of risk and checking of controls was conducted during the year (as per Academies Financial Handbook 2.9.6)

Matter 2: Details of the relevant business and pecuniary interests of its members and trustees are not published on the academy's website (as per Academies Financial Handbook 2.10.1)

Matter 3: The academy has not included contingency and business continuity planning as part of it's risk register (as per Academies Financial Handbook 2.6.1)



Chris Paton
Accounting Officer

Date: 6/12/19

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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:

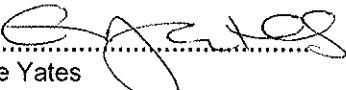
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 board of Governors on 6 December 2019 and signed on its behalf by:


.....
Elaine Yates
(Chair of Trustees)

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COVENTRY ACADEMY

Opinion

We have audited the financial statements of West Coventry Academy ("the Academy") for the year ended 31 August 2019 which comprise the statement of financial activities incorporating income and expenditure account, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency (ESFA).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance the Academies Accounts Direction 2018 to 2019

Basis for opinion

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

Conclusions relating to going concern

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

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

Emphasis of matter

We draw your attention to note 19 in the financial statements, which indicate that the academy has no free reserves and a deficit restricted income fund. The academy is currently in receipt of a recoverable support loan from the Education and Skills Funding Agency which is due to be repaid over the next 3 years. As stated in note 2.2 the academy has plans to redress the deficit position through a series of cost savings and increased pupil numbers. Our opinion is not modified in respect of this matter.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COVENTRY ACADEMY
(CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report or the Strategic report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST COVENTRY ACADEMY
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.


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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Nicholas Simkins (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Two Snowhill
Queensway
Birmingham
B4 6GA
United Kingdom

11 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 February 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Coventry Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Coventry Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of West Coventry Academy's funding agreement with the Secretary of State for Education dated 21 December 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST COVENTRY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our procedures included, but not limited to, the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation;
- Reviewing any family members of directors or senior leadership team appointed in the period, checking that the School's processes have been followed and the remuneration appears reasonable;
- Performing a review of the tendering policy, enquiring of any tenders completed in the period and completing a review of tenders completed for the appropriate documentation and authorisation;
- Enquiries of management of new leases in the period, ensuring they are entered into in line with the financial handbook policies;
- Review of the School's website for the correct disclosure of governance information in line with ESFA guidelines;

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

Conclusion

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

Matter 1: The academy has not delivered assurance through independent challenge as no independent review of risk and checking of controls was conducted during the year (as per Academies Financial Handbook 2.9.6)

Matter 2: Details of the relevant business and pecuniary interests of its members and trustees are not published on the academy's website (as per Academies Financial Handbook 2.10.1)

Matter 3: The academy has not included contingency and business continuity planning as part of it's risk register (as per Academies Financial Handbook 2.6.1)

BDO LLP

BDO LLP

Date: 11 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants	4	9	-	179	188	116
Charitable activities		21	6,858	-	6,879	7,094
Other trading activities		42	98	-	140	255
Total income		72	6,956	179	7,207	7,465
Expenditure on:						
Raising funds		-	43	-	43	104
Charitable activities	8	46	7,259	553	7,858	8,357
Total expenditure		46	7,302	553	7,901	8,461
Net income/(expenditure)		26	(346)	(374)	(694)	(996)
Transfers between funds	19	(26)	26	-	-	-
Net movement in funds before other recognised gains/(losses)		-	(320)	(374)	(694)	(996)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(563)	-	(563)	594
Net movement in funds		-	(883)	(374)	(1,257)	(402)

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Reconciliation of funds:					
Total funds brought forward	-	(3,006)	11,604	8,598	9,000
Net movement in funds	-	(883)	(374)	(1,257)	(402)
Total funds carried forward	-	(3,889)	11,230	7,341	8,598

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

The notes on pages 31 to 56 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

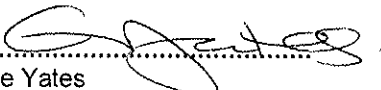
	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	11,430	11,791
		11,430	11,791
Current assets			
Debtors	15	162	118
Cash at bank and in hand		164	285
		326	403
Creditors: amounts falling due within one year	16	(438)	(357)
Net current liabilities / assets		(112)	46
Total assets less current liabilities		11,318	11,837
Creditors: amounts falling due after more than one year	17	(287)	(380)
Net assets excluding pension liability		11,031	11,457
Defined benefit pension scheme liability	25	(3,690)	(2,859)
Total net assets		7,341	8,598

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £000	2018	2018 £000
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	19	11,230		11,604	
Restricted income funds	19	(199)		(147)	
		<u>11,031</u>		<u>11,457</u>	
Restricted funds excluding pension asset	19	11,031		11,457	
Pension reserve	19	(3,690)		(2,859)	
		<u>11,031</u>		<u>11,457</u>	
Total restricted funds	19		7,341		8,598
Unrestricted income funds	19		-		-
			<u>7,341</u>		<u>8,598</u>
Total funds			7,341		8,598

The financial statements on pages 26 to 56 were approved by the Governors, and authorised for issue on 06 December 2019 and are signed on their behalf, by:



 Elaine Yates
 (Chair of Trustees)

The notes on pages 31 to 56 form part of these financial statements.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(106)	(223)
Cash flows from investing activities	23	(15)	(183)
Cash flows from financing activities	22	-	380
Change in cash and cash equivalents in the year		(121)	(26)
Cash and cash equivalents at the beginning of the year		285	311
Cash and cash equivalents at the end of the year	24	<u><u>164</u></u>	<u><u>285</u></u>

The notes on pages 31 to 56 form part of these financial statements

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

1. General information

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.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

West Coventry Academy meets the definition of a public benefit entity under FRS 102.

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 the nearest £1,000.

2.2 Going concern

Following the financial support from the ESFA in 2017/18 needed to ensure the long term sustainability of West Coventry Academy, the three-year payment plan agreed to return the retrievable funds to the ESFA started in September 2019. During 2018/19, the academy also put in place a staffing restructure to make further savings for 2019/20. The Academy will continue an ongoing programme of reducing costs where appropriate and will also ensure that the curriculum is effectively managed to ensure both improving standards and cost effectiveness.

The Academy has also agreed with the ESFA, the deployment of a School Resource Management Advisor to support the trust to make best use of available resource to provide an outstanding education its students. The SRMA will work with the Academy to consider different ways it can make best use of resources, and potentially reduce unnecessary spend in some areas to be reinvested in the areas that are of most importance in delivering the best possible education to students.

With 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.

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

- **Other income**

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

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

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

2.4 Expenditure

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

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

The estimated useful lives range as follows:

Long-term leasehold property	- 13 - 26	years
Long-term leasehold land	- 125	years
Furniture and equipment	- 5	years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

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

2.11 Provisions

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

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

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

2.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.14 Pensions (continued)

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

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

2.15 Fund accounting

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

4. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	9	50	59	-
Grants	-	129	129	116
	<u>9</u>	<u>179</u>	<u>188</u>	<u>116</u>
Total 2018	<u>-</u>	<u>116</u>	<u>116</u>	

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General annual grant	-	6,071	6,071	6,246
Othe DfE/ESFA grants	-	369	369	738
	<u>-</u>	<u>6,440</u>	<u>6,440</u>	<u>6,984</u>
Local authority income				
Expansion grant	-	215	215	-
Other grants	-	88	88	2
	<u>-</u>	<u>303</u>	<u>303</u>	<u>2</u>
Other income				
Trip income	-	111	111	108
Catering & Music income	21	4	25	-
	<u>21</u>	<u>115</u>	<u>136</u>	<u>108</u>
	<u>21</u>	<u>6,858</u>	<u>6,879</u>	<u>7,094</u>
Total 2018	<u>-</u>	<u>7,094</u>	<u>7,094</u>	

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

6. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Departmental activities	18	98	116	230
Uniform income	1	-	1	4
Hire of facilities	23	-	23	21
	<u>42</u>	<u>98</u>	<u>140</u>	<u>255</u>
Total 2018	<u>25</u>	<u>230</u>	<u>255</u>	

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading activities:					
Direct costs	-	-	43	43	104
Educational operations:					
Direct costs	4,680	-	644	5,324	5,988
Allocated support costs	1,301	553	680	2,534	2,368
	<u>5,981</u>	<u>553</u>	<u>1,367</u>	<u>7,901</u>	<u>8,460</u>
Total 2018	<u>6,337</u>	<u>630</u>	<u>1,493</u>	<u>8,460</u>	

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Endowment funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational operations	46	7,740	-	7,786	8,278
Pension cost	-	72	-	72	79
Total 2018	(4)	8,361	-	8,357	

Summary by expenditure type

	Staff costs 2019 £000	Depreciation 2019 £000	Other costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational operations	5,981	553	1,324	7,858	8,357
Total 2018	6,337	542	1,478	8,357	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational operations	5,324	2,534	7,858	8,356
Total 2018	5,988	2,368	8,356	

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Pension income	72	72	79
Staff costs	1,301	1,301	1,329
Depreciation	553	553	473
Technology costs	25	25	11
VAT adjustment	26	26	-
Donations	7	7	-
Maintenance of property & equipment	78	78	(15)
Cleaning	16	16	17
Rent & rates	21	21	21
Energy costs	206	206	134
Insurance	37	37	38
Security & transport	7	7	6
Catering	51	51	43
Other support costs	92	92	206
Auditor's remuneration	23	23	15
Legal & professional fees	19	19	11
	2,534	2,534	2,368

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	49	58
Depreciation of tangible fixed assets	553	542
Fees paid to auditors for:		
- audit	13	13
- other services	2	2
	577	575

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	4,447	4,652
Social security costs	427	443
Pension costs	1,028	1,042
	<u>5,902</u>	<u>6,137</u>
Agency staff costs	54	70
Staff restructuring costs	25	130
	<u>5,981</u>	<u>6,337</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	-	130
Severance payments	25	-
	<u>25</u>	<u>130</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2018: £nil). Individually, the payments were: £25,000.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	74	77
Administration and support	71	93
Management	9	9
	<u>154</u>	<u>179</u>

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

11. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	1	-

e. 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 £834,273 (2018: £807,631).

12. Governors' remuneration and expenses

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

		2019 £000	2018 £000
Gina O'Connor, Head Teacher (resigned 31 August 2019)	Remuneration	90 - 95	90 - 95
	Pension contributions paid	15 - 20	10 - 15
Christopher Denson	Remuneration	35 - 40	35 - 40
	Pension contributions paid	5 - 10	5 - 10
Pat Flavell	Remuneration	10 - 15	10 - 15
David Jones	Remuneration	40 - 45	35 - 40
	Pension contributions paid	5 - 10	5 - 10
Natalie Green (nee Woodward)	Remuneration	15 - 20	
	Pension contributions paid	0 - 5	

During the year ended 31 August 2019, expenses totalling £168 were reimbursed or paid directly to 2 Governors (2018 - £NIL). Expenses reimbursed were for expenditure on behalf of the school and travel costs.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £307 (2018 - £307). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term Leasehold property £000	Furniture and equipment £000	Total £000
Cost or valuation			
At 1 September 2018	14,589	848	15,437
Additions	65	129	194
At 31 August 2019	<u>14,654</u>	<u>977</u>	<u>15,631</u>
Depreciation			
At 1 September 2018	2,974	673	3,647
Charge for the year	451	102	553
At 31 August 2019	<u>3,425</u>	<u>775</u>	<u>4,200</u>
Net book value			
At 31 August 2019	<u>11,229</u>	<u>202</u>	<u>11,431</u>
At 31 August 2018	<u>11,615</u>	<u>175</u>	<u>11,790</u>

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

15. Debtors

	2019	2018
	£000	£000
Due within one year		
Trade debtors	6	8
Other debtors	39	40
Prepayments and accrued income	117	70
	162	118
	162	118

16. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	19	93
Other taxation and social security	196	200
Accruals and deferred income	118	64
Other creditors	3	-
Salix loan	6	-
ESFA recoverable funding loan	96	-
	438	357
	438	357

	2019	2018
	£000	£000
Deferred income		
Deferred income at 1 September 2018	-	-
Resources deferred during the year	30	-
Amounts released from previous periods	-	-
	30	-
	30	-

At the balance sheet date the academy trust was holding funds received in advanced for school trips in relation to the following financial year.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

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

	2019	2018
	£000	£000
Salix loan	3	-
ESFA recoverable funding loan	284	380
	287	380
	287	380

The ESFA recoverable loan represents the amount outstanding to the ESFA; it is provided at 0% interest. A repayment profile has been agreed with the ESFA and is due to be paid within 3 years.

Salix loans are provided on CIF funded projects at zero interest.

18. Financial instruments

	2019	2018
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	164	285
Financial assets that are debt instruments measured at amortised cost	74	48
	238	333
	238	333
Financial liabilities		
Financial liabilities measured at amortised cost	(499)	(534)
	(499)	(534)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and loans.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	-	72	(46)	(26)	-	-
Restricted general funds						
General Annual Grant	(147)	6,071	(6,149)	26	-	(199)
Other grants	-	672	(672)	-	-	-
Other restricted income	-	213	(213)	-	-	-
Pension reserve	(2,859)	-	(268)	-	(563)	(3,690)
	<u>(3,006)</u>	<u>6,956</u>	<u>(7,302)</u>	<u>26</u>	<u>(563)</u>	<u>(3,889)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	11,604	179	(553)	-	-	11,230
Total Restricted funds	<u>8,598</u>	<u>7,135</u>	<u>(7,855)</u>	<u>26</u>	<u>(563)</u>	<u>7,341</u>
Total funds	<u><u>8,598</u></u>	<u><u>7,207</u></u>	<u><u>(7,901)</u></u>	<u><u>-</u></u>	<u><u>(563)</u></u>	<u><u>7,341</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 2019.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

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 £199,000 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. The Academy has also agreed with the ESFA, the deployment of a School Resource Management Advisor to support the trust to make best use of available resource to provide an outstanding education its students. The SRMA will also support the trust to develop strategies to eliminate or prevent that deficit.

With increased students numbers projected for the next 3 years, a restructuring of staffing and an ongoing managed programme of reducing costs, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future.

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General funds	-	25	-	(25)	-	-
Restricted general funds						
General Annual Grant	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)
Restricted fixed asset funds						
Restricted fixed asset fund	12,031	116	(543)	-	-	11,604
Total Restricted funds	9,000	7,440	(8,461)	25	594	8,598
Total funds	9,000	7,465	(8,461)	-	594	8,598

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	200	11,230	11,430
Current assets	326	-	326
Creditors due within one year	(438)	-	(438)
Creditors due in more than one year	(287)	-	(287)
Provisions for liabilities and charges	(3,690)	-	(3,690)
Total	(3,889)	11,230	7,341

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	11,790	11,790
Current assets	-	403	-	403
Creditors due within one year	1	(170)	(186)	(355)
Creditors due in more than one year	-	(380)	-	(380)
Provisions for liabilities and charges	-	(2,859)	-	(2,859)
Total	1	(3,006)	11,604	8,599

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

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

	2019	2018
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(694)	(996)
Adjustments for:		
Depreciation	553	543
(Increase)/decrease in debtors	(44)	91
Decrease in creditors	(10)	(76)
Capital grants from DfE and other capital income	(179)	(116)
Defined benefit pension scheme cost less contributions payable	196	252
Defined benefit pension finance cost	72	79
Net cash used in operating activities	(106)	(223)

22. Cash flows from financing activities

	2019	2018
	£000	£000
Cash inflows from new borrowing	-	380

23. Cash flows from investing activities

	2019	2018
	£000	£000
Purchase of tangible fixed assets	(194)	(299)
Capital grants from DfE Group	179	116
Net cash used in investing activities	(15)	(183)

24. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	164	285

WEST COVENTRY ACADEMY

(A Company Limited by Guarantee)

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

25. Pension commitments

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

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2019 (2018 - £90,904) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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%.

WEST COVENTRY ACADEMY (A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the year amounted to £497,000 (2018 - £530,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £383,000 (2018 - £376,000), of which employer's contributions totalled £310,000 (2018 - £304,000) and employees' contributions totalled £ 73,000 (2018 - £72,000). The agreed contribution rates for future years are 20.9 per cent for employers and 5.5 to 8.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.75	3.80
Rate of increase for pensions in payment/inflation	2.25	2.30
Discount rate for scheme liabilities	1.85	2.65

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

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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	2,853	2,622
Gilts	450	298
Other bonds	180	153
Property	388	336
Cash and other liquid assets	171	155
Other	705	578
Total market value of assets	4,747	4,142

The actual return on scheme assets was £280,000 (2018 - £46,000).

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

	2019 £000	2018 £000
Current service cost	(433)	(486)
Past service cost	(73)	-
Interest income	114	101
Interest cost	(186)	180
Total amount recognised in the Statement of Financial Activities	(206)	(565)

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

	2019	2018
	£000	£000
At 1 September	7,001	6,724
Interest cost	186	180
Employee contributions	73	72
Actuarial losses/(gains)	729	(649)
Benefits paid	(58)	(86)
Current service cost	433	486
Past service costs	73	-
Liabilities extinguished on settlements	-	274
	<u>8,437</u>	<u>7,001</u>
At 31 August	8,437	7,001

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

	2019	2018
	£000	£000
At 1 September	4,142	3,602
Interest income	114	101
Actuarial gains/(losses)	166	(55)
Employer contributions	310	302
Employee contributions	73	72
Benefits paid	(58)	(86)
Settlement prices received	-	206
	<u>4,747</u>	<u>4,142</u>
At 31 August	4,747	4,142

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

26. Operating lease commitments

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

	2019 £000	2018 £000
Not later than 1 year	73	73
Later than 1 year and not later than 5 years	116	182
	<u>189</u>	<u>255</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2019 £000	2018 £000
Operating lease rentals	<u>55</u>	<u>58</u>

27. 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.

28. Related party transactions

J O'Connor, son of G O'Connor, the Headteacher, was employed under a permanent contract by the Academy Trust as a Site Office Assistant. J O'Connor's appointment was made in open competition and G O'Connor was not involved in the decision-making process regarding the appointment. J O'Connor is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the senior leadership team.

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

WEST COVENTRY ACADEMY
(A Company Limited by Guarantee)

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

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £18,834 and disbursed £18,131 from the fund. An amount of £2,935 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2018 are £19,289 received, £17,057 disbursed and £2,232 included in other creditors.