

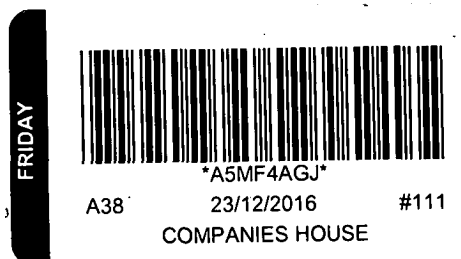
Registered number: 08137486

Blue Coat Church of England Academy (Walsall) Trust

Annual Report and Financial Statements

For the year ended 31 August 2016

 **DAINS**
ACCOUNTANTS



Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

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Blue Coat Church of England Academy (Walsall) Trust
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Reference and Administrative Details
For the year ended 31 August 2016

Members	Church of England Central Education Trust (CECET) C Hopkins, CECET appointed Rev'd H Bishop, CECET appointed J Sohal, The Holte School D Tonks, Chair
Trustees	D Tonks, Chair ¹ J Roberts R Everitt ¹ S Rayner ¹ P Walters (appointed 1 September 2015, resigned 11 April 2016) S Bailey A Stephenson (resigned 13 July 2016) M Ayodele (disqualified 29 March 2016) J Proctor ¹ Rev J Trood J Sohal (appointed 1 September 2015) C Howard (appointed 19 October 2015) J Power, Principal and Accounting Officer (12 April 2016 - 31 August 2016) (appointed 12 April 2016, resigned 31 August 2016) P Hearn, Principal and Accounting Officer (1 January 2016 - 11 April 2016) (appointed 1 January 2016, resigned 11 April 2016) A Westerman, Principal and Accounting Officer (1 September 2015 - 31 December 2015) (resigned 31 December 2015)
	¹ member of finance and general purpose committee
Principal and registered office	Birmingham Street Walsall West Midlands WS1 2ND
Company registered number	08137486
Company name	Blue Coat Church of England Academy (Walsall) Trust
Senior management team	D Smith, Principal (from 1 September 2016) J Power, Principal (from 12 April 2016 to 31 August 2016) P Herne, Principal (from 1 January 2016 to 11 April 2016) A Westerman, Principal (from 1 September 2015 to 31 December 2015) J Hares, Vice Principal M McNamara, Vice Principal (resigned April 2016) K Patel, Assistant Principal E Perry, Assistant Principal D Plant, Assistant Principal C L Hadley, Chief Finance Officer
Independent auditors	Dains LLP Statutory Auditor 15 Colmore Row Birmingham B3 2BH

Blue Coat Church of England Academy (Walsall) Trust
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Reference and Administrative Details
For the year ended 31 August 2016

Advisers (continued)

Bankers	Lloyds Bank Plc 2nd Floor 125 Colmore Row Birmingham B3 3SF
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Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report
For the year ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Walsall. It has a pupil capacity of 883 and had a roll of 682 in the school census on 15 January 2015.

Since the Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

● **Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

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

The Academy is constituted under a Memorandum of Association dated 10 July 2012

Blue Coat Church of England Academy (Walsall) Trust converted to academy status with effect from 1 September 2012.

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

● **Members' liability**

The members of the Charitable Company being:
Church of England Central Education Trust (Co. reg 08018276) (CECET)
3 persons / corporate bodies appointed by CECET
Head Teacher of Holte School
Chair of Governors

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

● **Trustees' indemnities**

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

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

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Method of recruitment and appointment or election of Trustees**

The Articles of Association require there to be a minimum of 7 Foundation Trustees of whom (i) 6 shall be appointees of the Church of England Central Education Trust and (ii) 1 incumbent ex-officio.

The Principal shall be treated for all purposes as being an ex-officio Trustee.

The Members may appoint up to 1 Staff Trustee. The staff Trustee is elected by the staff currently employed by the Academy Trust. Staff Trustee vacancies are advertised on the Staff noticeboards and communicated via staff briefings.

Up to 2 Parent Trustees are elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Trustees, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Trustees which is contested shall be held by secret ballot.

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

The Secretary of State may appoint additional Trustees as he thinks fit (after consultation with the Diocesan Board of Education) if he has given the Trustees a warning notice, and the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The term of office for any Trustee (other than Co-opted Trustees) shall be 4 years, save that this time limit shall not apply to the Principal or the Incumbent subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Governing Body will give consideration to the skills mix of the Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

• **Policies and procedures adopted for the induction and training of Trustees**

All new Trustees will be given a tour of the Academy and the chance to meet with staff. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally very few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Governing Body are encouraged to participate in seminars and workshops held by the Local Authority and to attend training courses on matters that provide regular update on practice, legislation and guidance.

• **Pay policy for key management personnel**

Decisions in relation to the Principal and Vice Principal posts are reviewed and implemented in accordance with the Trust's Pay Policy by the Governing Body and are included in the Board minutes.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Organisational structure**

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage decision making at all levels. The Principal is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy budget and other data, and making major decisions about the direction of the Academy, Capital expenditure and staff appointments.

The Senior Leadership Team is made up of the Principal and one Vice Principal. These leaders direct the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the senior leaders are responsible for authorisation of spending within agreed budgets.

The Governing Body of the Academy meets a minimum of six times a year. There are two sub-committees: Finance and General Purpose Committee and Teaching, Learning and Curriculum Committee that meet every half-term and provide essential feedback to the Governing Body. There will be no sub committees from 1st September 2016.

• **Connected organisations, including related party relationships**

Whilst the Academy is a stand-alone academy responsible for its own affairs, it is supported by two sponsors: The Church of England Central Education Trust (CECET) as its lead sponsor, and Holte school at its other sponsor. The sponsorship arrangement has enabled the Academy to achieve significant success in promoting closer working arrangements between the Academy staff and its sponsors, which in turn has contributed significantly to school improvements and raising of standards within the Academy.

Objectives and Activities

• **Objects and aims**

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

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

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere;
- To provide an environment that enables students to learn and teachers to teach effectively;
- To promote and recognise high standards of achievement in all spheres of activity;
- To help students form successful relationships characterised by understanding others, tolerance, trust and self-respect;
- To broaden horizons and to promote an interest in and respect for the local, national and global communities and their cultures;
- To develop physical emotional health and a sense of the importance of morality and personal responsibility;
- To encourage equality of opportunity for all; and
- To develop an understanding of our responsibility as global citizens to live in a sustainable way.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Objectives, strategies and activities**

Key influences on the Academy Trust's Development plan for the year under review were the significant challenges and opportunities arising from national changes in education policy and funding.

Key activities and targets have included the following:

- Continue to raise attainment and increase the rate of progress;
- Improve Literacy skills of learners.
- To further improve the quality of learning and teaching;
- Improve student attendance and punctuality;
- Increase student recruitment into year 7 and other years and improve retention and additional recruitment into the Sixth Form.;
- Increase Sixth Form Work Experience provision; and
- To further build the capacity of middle leaders to facilitate career progression and enable them to make a more significant contribution to school improvement.

• **Public benefit**

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy Trust provides education to children and young people that is:

- Balance and broadly based;
- Promotes the spiritual, moral, cultural, mental and physical development of students at the Academy and of society;
- Prepares students at the Academy for the opportunities, responsibilities and experiences of later life; and
- Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Strategic Report**

Achievements and performance

5A*-C including English and Mathematics 36%

English C+ : 55.2%

Maths C+ : 50.0%

English and Mathematics C+ : 42.9%

School Key Stage 2 prior attainment average point score **24.2**

National Key Stage 2 prior attainment average point score **27.5**

English 3 Levels of Progress : 66.2%

Mathematics 3 Levels of Progress : 56.6%

Progress 8 score : **0.0045**

English Baccalaureate **19%** (Entered 34.5%)

Disadvantaged pupils and narrowing the gap

English Value Added	2012	2013	2014	2015	2016
School	997.4	999.2	999	998.4	1001.52
Disadvantaged	995.5	997	999	997.6	1000.15
Other	998.9	1001	999.1	999.4	1003.06
Gap	-3.4	-4	-0.1	-1.8	-2.91

Mathematics Value Added	2012	2013	2014	2015	2016
School	1000.7	1002.1	1002	998.8	1000.53
Disadvantaged	998.8	1000.7	1001.7	998.0	999.64
Other	1002.5	1003.6	1003.6	999.7	1001.52
Gap	-3.7	-2.9	-2.9	-1.7	-1.88

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Trustees' Report (continued)
For the year ended 31 August 2016

English Average Point Score	2012	2013	2014	2015	2016
School	33.5	34.1	35.4	35.2	36.15
Disadvantaged	31.1	32.5	33.8	35.0	34.59
Other	34.6	35.4	36.9	35.5	37.75
Gap	-3.5	-2.9	-3.1	-0.5	-3.16

Mathematics Average Point Score	2012	2013	2014	2015	2016
School	35.5	35.7	36.1	33.9	33.10
Disadvantaged	33.1	33.4	33.3	34.1	31.10
Other	36.7	37.7	38.4	33.7	35.10
Gap	-3.6	-4.3	-5.1	0.4	-4.0

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Trustees' Report (continued)
For the year ended 31 August 2016

5 A-C English & Mathematics	2012	2013	2014	2015	2016
School	46%	52%	50%	37%	36%
Disadvantaged		45%	41%	34%	28.6%
Other		58%	55%	41%	42.9%
Gap		-13%	-14%	-7%	-14.3%

Key Stage 5	2015	2016*
% of A* grades	14%	0.43%
% of A*-B grades	27%	23.5%
% of pupils 2+ A*-E	94%	88.2%
Average points per candidate	604	84.17
Average points per entry	205	28.43

* The points scoring system for Level 3 qualifications changed for 2015/16 results, it is therefore impossible to complete points scores from 2015 and 2016.

The change in emphasis towards the judgement of school performance based on the Progress 8 measure recognises the fact that although our pupils prior attainment at Key Stage 2 is in the bottom 1% nationally when they join Blue Coat, they make progress at the Academy in line with national expectations.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Review of activities**

Capital Investment In Buildings

During the year under review, the Academy continued with its refurbishment programme. The successful application of external grant funding has allowed this programme to progress more quickly than we had anticipated.

An EFA Invest to Save grant was received in March 2016 which supported the replacement of substandard lighting with more energy efficient LED lighting both in the main building and the Grove building making classrooms and offices a much more pleasant environment to learn and work, while also reducing electricity costs.

Section 106 funding from the local authority supported the building of a new structural retaining wall complete with key clamp and handrail system to meet current height regulations and follow the slope of the steps to the lower level; Also; to progress with the rolling programme of replacement of all gas taps in science classrooms reducing the associated risks. The remainder of the grant was used to decorate the interior of the building, classrooms and corridors were given first priority.

There was an up grading of windows and doors around the tuck shop area of the Academy providing a more suitable working area for catering staff.

The Future

The Academy has a rolling programme of refurbishment, both to the fabric of the building and internal renovations to be undertaken in the following years.

From the Academy's revenue budget there have been no major funds set aside for building works.

The Academy has been awarded funds for the refurbishment of the science block, in the first instance. This successful bid was announced during the early part of 2015 however, the Academy is not clear of the value of this grant or the full extent of the works. The Governors still are waiting on the results of an investigation by an independent surveyor commissioned by the Education Funding Agency.

In addition the Governors have made a decision to once again employ Concept Education to formulate a bid for specific academy funding, Capital Investment Fund (CIF). This bid will hopefully secure funds to resurface poor quality flat roofs. It has been suggested to the Governors that if the bid were to be unsuccessful that the funds should be taken from reserves to undertake this work.

Capital Investment in ICT Upgrade

The Academy also invested in upgrading of ICT facilities, which included the purchase of 65" clever touch screens in 2015/2016. Two Clever touch screens were installed in Rooms D6 & D9. We have purchased another 4 which planned to be installed in S13, G2, G5, G6 We purchased in total 30 Lenovo PCs along with 30 Phillips monitors. However, only 8 PCs have been installed at present and we will install the others when required.

• **Key financial performance indicators**

The reporting year represents the Academy's third year of operation following the conversion of the old Blue Coat Comprehensive in September 2012. The strategic goals relating to achievements, progress, engagement and provision are monitored closely by the Governors.

	2015/16	2014/15	2013/14
Total staff costs as a percentage of overall income	77.1%	76.0%	70.9%

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

- **Going concern**

After making appropriate enquiries, the board of trustees 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 Accounting Policies.

Financial review

The majority of the Academy's income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year the total expenditure of £4,973,582 (2014/15 £4,711,157) was more than covered by grant funding from the EFA together with other incoming resources. The excess of expenditure over income of the Academy for the year excluding the restricted fixed asset funds and before transfers for assets purchased from revenue was £135,817 (2014/15 £91,305 income over expenditure).

Under Financial Reporting Standard 102 Section 28, it is necessary to recognise projected deficits on the Local Government Pension Scheme that is provided for our support staff. This resulted in that fund showing a substantial deficit of £1,570,000 at 31 August 2016 (£922,000 at 31 August 2015), and this has been carried forward into the current year. It should be noted that this does not present the Academy with any current liquidity problem, and that we are reviewing contributions to the pension scheme in order to see a reduction of this pension deficit in future years.

During the year, the major item of expenditure has been staffing. Staffing is maintained at a level that ensures a stable and well resourced learning environment, providing sufficient resources to meet the work load of the Academy and ensuring that the development needs of the students are met.

- **Reserves policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of Income and expenditure streams, the need to match income with commitments and the nature of reserves. We have determined that the appropriate level of £300,000. This will provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and the pension reserve) is £798,318 (2014/15 £1,015,742).

- **Investment policy and performance**

The Trustees have the ability to invest the funds of the Academy as they see fit. Currently the Academy does not have any long term investments with the cash reserves of the Academy being held in bank accounts.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as a part of a planned surplus for a specific project, Governors may consider the investment of these funds in a deposit account to generate additional income in interest.

During the year, on the advice of the Lead Sponsors – Lichfield Diocesan Board of Education, the Academy has Invested funds in a Corporate Deposit Account with CCLA, which has generated additional income in interest which has been above the average market rate.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

• **Financial and Risk Management Objectives and Policies**

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

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

• **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy is exposed, in particular to those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and academy trips), and in relation to the control of finance. They have introduced systems including operational procedures (e.g. vetting of staff and visitors, supervision of academy grounds) and internal financial controls to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Discussions surrounding the key risks are undertaken within a variety of forums including full Governing Body meetings, appropriate sub-committee meetings and management team meetings.

Trustees have identified the following principal risks and uncertainties facing the Academy Trust.

Financial Risk

The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets.

Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

Failures in Governance and/or Management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risk

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of students.

Trustees continue to give due consideration to other aspects of the Academy's activities where there could be a reputational risk, including discipline, safeguarding Health and Safety etc.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in the Academy and in training and support, in order to protect the vulnerable young people in its care.

Significant Changes in Staff

Trustees have put in place a clear succession planning policy, and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

Blue Coat Church of England Academy (Walsall) Trust
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Trustees' Report (continued)
For the year ended 31 August 2016

Plans for future periods

• **Future developments**

After three years of Academy status, the academy plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and student skills.

The Academy led by the Principal continues to build close links with local feeder primary Church of England schools.

The Academy continues to develop the curriculum for the benefit of all students and amend accordingly to best suit each cohort. The Academy will continue to place an emphasis on business and enterprise opportunities within the curriculum for all students.

Funds held as custodian

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

Disclosure of information to auditors

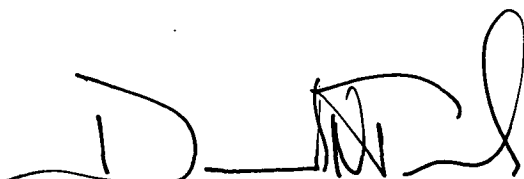
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Members will propose a motion re-appointing the auditors at the Annual General Meeting.

This report was approved by order of the board of trustees as the company directors, on 8 December 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D Tonks', written over a horizontal line.

D Tonks
Chair of Governors

Blue Coat Church of England Academy (Walsall) Trust
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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Blue Coat Church of England Academy (Walsall) Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Tonks, Chair	8	8
J Roberts	8	8
R Everitt	8	8
S Rayner	7	8
P Walters (appointed 1 September 2015 and resigned 11 April 2016)	0	3
S Bailey	6	8
A Stephenson (resigned 13 July 2016)	8	8
M Ayodele (disqualified 29 March 2016)	0	3
J Proctor	6	8
Rev J Trood	8	8
J Sohal (appointed 1 September 2015)	7	8
C Howard (appointed 19 October 2015)	3	8
J Power, Principal and Accounting Officer (12 April 2016 - 31 August 2016)	3	3
P Hearn, Principal and Accounting Officer (1 January 2016 - 11 April 2016)	2	2
A Westerman, Principal and Accounting Officer (1 September 2015 - 31 December 2015)	2	3

The Finance and General Purposes Committee is a sub-committee of the main board of governors. Its purpose is to monitor the financial activities of the Academy and make decisions relating to finance. In addition the finance committee has also been given the responsibilities of the audit committee, in order to review the controls over the academy's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Westerman (resigned 31 December 2016)	2	2
D Tonks	5	5
R Everitt	5	5
S Raynor	5	5
P Walters (resigned 11 April 2016)	3	3
P Hearne (appointed 1 January 2016)	2	3
J Power (appointed 1 April 2016)	1	1
J Proctor	1	5

Governance Statement (continued)

Review of Value for money

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

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

Focus on Individual Pupils:

- Targeting resources in line with the School Improvement Plan (SIP) priorities, including:
- Implementation of 1:1 tuition for pupils who attract Pupil Premium funding and who are at a risk of underachieving.
- Recruitment or redeployment of specialist TAs to effectively support the increasingly complex needs of the pupil community.
- Targeted funds, for example Pupil Premium, Year 7 Catch-Up and Bursaries, are ring-fenced and used specifically to improve performance, attendance and behaviour by those students identified to receive funding via these sources.
- Where a particular area for improvement is highlighted, extra resources are targeted towards this initiative. The leadership team and departmental heads monitor the area concerned using performance indicators such as examination results, attendance levels and behaviour reports, and report their findings to the Governing Body and staff, parents and students at regular meetings.
- The Academy runs Breakfast, Lunch and After-School clubs as well as a Summer School Club and a Year 7 trip to the Pioneer Centre to meet particular needs of pupils; ensuring support that is available is relevant to their needs.
- Additional staffing in English, Mathematics and Science to allow smaller class sizes

The effectiveness of these strategies has resulted in an upward trend in exam results as detailed by the charts included in the trustees report.

Financial Governance and Oversight

The Academy has a dedicated Finance & General Purpose Committee and Governing Body, who are responsible for determining the Academy's financial priorities linking this to the long term vision and directions given by the full Governing Body.

- To approve the Academy's annual Budget.
- To ensure that the Academy operates within the Financial Regulations set out in the Academies Financial Handbook.
- To ensure that ring-fenced funding streams, such as Pupil Premium, are used as directed and to maximum effect.
- To approve capital expenditure in line with the Budget and the Academy's development plans.
- To ensure, as far as is practical, that Health & Safety issues are appropriately prioritised.
- To ensure sufficient funds are available for staff pay increments and increases.
- Proposals or improvements which entail significant expenditure identified above can only be met if the Academy stands on a sound financial base. Through effective control and management of our finances, we were able to meet targets for improvements, invest in additional activities and managed to generate a surplus for the year.
- To ensure that the Academy is a going concern and will remain viable for the foreseeable future.

Better Purchasing

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

- Purchase of a new mini-bus to reduce transport costs from external sources.
- Exploring alternative purchasing options both on-line and direct through suppliers to find the best value.
- Working with our Lead Sponsors to identify products and services that can be procured to drive down cost

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Governance Statement (continued)

and/or negotiate favourable rates e.g. Leasing contract for Photocopiers & Printers and Insurance. Change in Photocopier leasing contract this year has enabled to the Academy to save in the region of £5,000 per annum.

- Implementing a tender process for significant purchases and/or contracts, for example upgrade of ICT facilities, refurbishment of building.
- We buy into relevant traded services provided by our local authority where their expertise and 'bulk- buying powers' ensure high service delivery at attractive cost. This satisfies our requirements using economies of scale in an effective manner. Professional advice, for example, HR and Legal advice has been sought from the Local Authority when needed.

Better Income Generation

- The Academy generates income in the region of £21,000 per annum from its lettings facilities.
- The Academy's banking arrangements ensure that where cash flow allows, monies are transferred into a higher interest account with immediate access to it's for funds for working capital requirements.
- The Sixth Form pupils continue to raise funds for their chosen charity of the year to provide benefit for the wider community.
- The whole school takes part in the annual Lent appeal to raise funds for a chosen charity.

Reviewing controls and managing risks

- The Academy has prepared a risk register which is updated on a regular basis and reviewed by the Finance Committee and the Governing Body.
- Further actions taken to minimise risks include the purchase of an appropriate level of insurance cover following consultation with the Academy's insurance broker.
- The Finance & General Purpose Sub-Committee and the Governing Body meet every half term to review budgets, periodic income and expenditure reports to ensure both income and expenditure are in line with budgeted expectations.
- Major spending decisions for e.g. investment in capital works, staffing increments etc. are put forward to the Governing Body for their consideration and approval.
- The Academy has a clear scheme of delegation and authorisation limits. Payments to suppliers and employees are authorised by the Principal or the Budget holder.

Lessons learned

- Whenever a resignation is accepted, an analysis is done to determine whether or not to replace the post like for like. The Governing Body consider both the short and long term implications of any proposal. Cover, in the interim, is provided by other Academy staff and cover supervisors to ensure the continuity of teaching and learning. The Academy has also endeavoured to employ staff on fixed term contracts, with a view to extend the contract, should the appointee prove promising and good value for money.
- We recognize the need to continue developing relationships with other academies and/or local schools, in order to benefit from economies of scale in procuring products and services, developing staff and sharing knowledge, skill and expertise.

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blue Coat Church of England Academy (Walsall) Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Governance Statement (continued)

annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In particular the checks carried out in the current period included:

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

Blue Coat Church of England Academy (Walsall) Trust
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Governance Statement (continued)

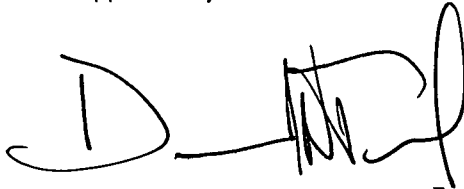
Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 8 December 2016 and signed on their behalf, by:



D Tonks
Chair of Governors



D Smith
Accounting Officer

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Blue Coat Church of England Academy (Walsall) Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



D Smith
Accounting Officer

Date: 8 December 2016

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the year ended 31 August 2016

The Trustees (who act as governors of Blue Coat Church of England Academy (Walsall) Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

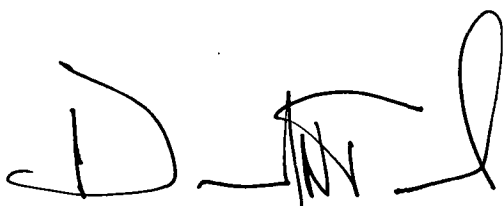
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 8 December 2016 and signed on its behalf by:



D Tonks
Chair of Governors

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Blue Coat Church of England Academy (Walsall) Trust

We have audited the financial statements of Blue Coat Church of England Academy (Walsall) Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Blue Coat Church of England Academy (Walsall) Trust

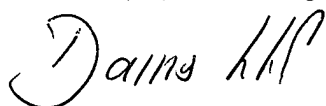
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Andrew Morris FCA (Senior statutory auditor).

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
8 December 2016

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Blue Coat Church of England Academy (Walsall) Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blue Coat Church of England Academy (Walsall) Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Blue Coat Church of England Academy (Walsall) Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Blue Coat Church of England Academy (Walsall) Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Blue Coat Church of England Academy (Walsall) Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Blue Coat Church of England Academy (Walsall) Trust's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. 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.

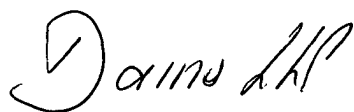
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Blue Coat Church of England Academy (Walsall) Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

8 December 2016

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31 August 2016

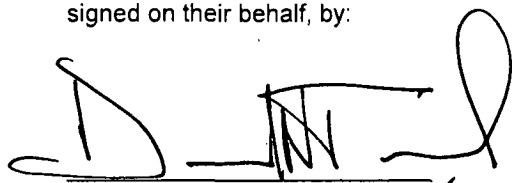
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	17,064	-	15,526	32,590	30,666
Charitable activities:	5					
Funding for the academy trust's educational operations		-	4,694,738	-	4,694,738	4,639,863
Other trading activities	3	24,474	-	-	24,474	62,532
Investments	4	6,459	-	-	6,459	7,251
Total income		47,997	4,694,738	15,526	4,758,261	4,740,312
Expenditure on:						
Academy trust educational operations		40,406	4,838,146	95,030	4,973,582	4,711,157
Total expenditure	6	40,406	4,838,146	95,030	4,973,582	4,711,157
Net income / (expenditure) before transfers		7,591	(143,408)	(79,504)	(215,321)	29,155
Transfers between Funds	17	-	(133,607)	133,607	-	-
Net income / (expenditure) before other recognised gains and losses		7,591	(277,015)	54,103	(215,321)	29,155
Actuarial losses on defined benefit pension schemes	21	-	(596,000)	-	(596,000)	(67,000)
Net movement in funds		7,591	(873,015)	54,103	(811,321)	(37,845)
Reconciliation of funds:						
Total funds brought forward		345,774	(252,032)	739,224	832,966	870,811
Total funds carried forward		353,365	(1,125,047)	793,327	21,645	832,966

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)
Registered number: 08137486

Balance Sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		793,327		739,224
Current assets					
Stocks	14	442		700	
Debtors	15	202,487		187,553	
Cash at bank and in hand		1,052,471		1,186,611	
		<u>1,255,400</u>		<u>1,374,864</u>	
Creditors: amounts falling due within one year	16	<u>(457,082)</u>		<u>(359,122)</u>	
Net current assets			<u>798,318</u>		<u>1,015,742</u>
Total assets less current liabilities			<u>1,591,645</u>		<u>1,754,966</u>
Defined benefit pension scheme liability	21		<u>(1,570,000)</u>		<u>(922,000)</u>
Net assets including pension scheme liabilities			<u><u>21,645</u></u>		<u><u>832,966</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	444,953		669,968	
Restricted fixed asset funds	17	793,327		739,224	
Restricted income funds excluding pension liability		<u>1,238,280</u>		<u>1,409,192</u>	
Pension reserve		<u>(1,570,000)</u>		<u>(922,000)</u>	
Total restricted income funds			<u>(331,720)</u>		<u>487,192</u>
Unrestricted income funds	17		<u>353,365</u>		<u>345,774</u>
Total funds			<u><u>21,645</u></u>		<u><u>832,966</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:



D Tonks
Chair of Governors

The notes on pages 28 to 48 form part of these financial statements.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(7,234)</u>	<u>(499,477)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		6,459	7,251
Purchase of tangible fixed assets		(148,891)	(175,249)
Capital grants from DfE/EFA		<u>15,526</u>	<u>15,167</u>
Net cash used in investing activities		<u>(126,906)</u>	<u>(152,831)</u>
Change in cash and cash equivalents in the year		(134,140)	(652,308)
Cash and cash equivalents brought forward		<u>1,186,611</u>	<u>1,838,919</u>
Cash and cash equivalents carried forward	20	<u><u>1,052,471</u></u>	<u><u>1,186,611</u></u>

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Blue Coat Church of England Academy (Walsall) Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Blue Coat Church of England Academy (Walsall) Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Blue Coat Church of England Academy (Walsall) Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

Other Income

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

1.4 Expenditure

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

Charitable Activities

Charitable activities and Governance costs 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.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125-year lease;
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) a figure is entered that reflects advice taken on the value of the lease;
- (b) Having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line

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

1.6 Stocks

Unsold uniforms and stationery stocks are valued at the lower of costs and net realisable value.

1.7 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.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

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

1.10 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.12 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 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 Bank.

Blue Coat Church of England Academy (Walsall) Trust
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1. Accounting Policies (continued)

1.14 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 and the assets are held separately from those of the Academy Trust.

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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.16 Transfers between funds

Transfers between funds relate to fixed asset purchases from unrestricted and restricted reserves.

1. Accounting Policies (continued)

1.17 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	17,064	-	-	17,064	15,499
Capital Grants	-	-	15,526	15,526	15,167
	<u>17,064</u>	<u>-</u>	<u>15,526</u>	<u>32,590</u>	<u>30,666</u>
Total donations and capital grants	17,064	-	15,526	32,590	30,666

In 2015, of the total income from donations and capital grants, £15,499 was to unrestricted funds and £15,167 was to restricted fixed asset funds

3. Income from other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	16,479	-	16,479	20,924
Other income	7,995	-	7,995	41,608
	<u>24,474</u>	<u>-</u>	<u>24,474</u>	<u>62,532</u>

In 2015, of the total income from activities for generating funds, £23,610 was to unrestricted funds and £38,922 was to restricted funds.

4. Income from Investments

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	6,459	-	6,459	7,251

In 2015, of the total investment income, £7,251 was to unrestricted funds.

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Notes to the Financial Statements
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5. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,064,194	4,064,194	4,030,031
Start Up Grants	-	201,039	201,039	214,812
Pupil Premium	-	301,031	301,031	280,360
Other DfE/EFA Grants	-	101,268	101,268	85,708
	-	4,667,532	4,667,532	4,610,911
Other government grants				
Local authority grants	-	27,206	27,206	28,952
	-	27,206	27,206	28,952
	-	4,694,738	4,694,738	4,639,863

In 2015, of the total income from charitable activities, £4,639,863 was to restricted funds.

6. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Activities:					
Direct costs	3,165,050	66,377	712,320	3,943,747	3,632,711
Support costs	504,032	304,505	221,298	1,029,835	1,078,446
	3,669,082	370,882	933,618	4,973,582	4,711,157

In 2016, of the total expenditure, £40,406 (2015 - £20,407) was to unrestricted funds and £4,933,176 (2015 - £4,690,750) was to restricted funds.

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Notes to the Financial Statements
For the year ended 31 August 2016

7. Direct costs - educational operations

	Total 2016 £	Total 2015 £
Educational supplies	618,457	404,194
Staff development	24,536	24,949
Technology costs	19,564	13,493
Educational consultancy	55,694	23,429
Travel and subsistence	(597)	13,786
Recruitment and support	29,412	1,394
Wages and salaries	2,530,880	2,556,012
National insurance	219,049	203,568
Pension cost	351,964	313,561
Depreciation	94,788	78,325
	<u>3,943,747</u>	<u>3,632,711</u>

8. Support costs - educational operations

	Total 2016 £	Total 2015 £
Pension income	35,000	32,000
Travel and subsistence	23,064	16,357
Other support costs	40,861	55,766
Maintenance of premises	47,245	63,818
Maintenance of equipment	11,802	43,297
Cleaning	93,995	93,417
Operating leases	15,110	13,616
Rates	14,860	12,956
Water rates	22,994	9,617
Energy	64,886	75,078
Insurance	29,340	34,067
Catering costs	117,105	107,907
Governance costs	9,541	16,143
Wages and salaries	415,985	392,346
National insurance	25,990	21,786
Pension cost	62,057	90,275
	<u>1,029,835</u>	<u>1,078,446</u>

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9. Net incoming resources/(resources expended)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	94,788	78,325
Auditors' remuneration	7,700	7,700
Auditors' non audit remuneration	2,800	2,800
Operating lease rentals	28,124	28,125
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the year ended 31 August 2016

10. Staff

a. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,940,663	2,948,358
Social security costs	245,039	225,354
Operating costs of defined benefit pension schemes	414,022	403,836
	<u>3,599,724</u>	<u>3,577,548</u>
Supply teacher costs	63,156	6,405
Staff restructuring costs	6,202	-
	<u>3,669,082</u>	<u>3,583,953</u>

b. Non statutory/non contractual staff severance payments

Included staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,202 (2015 - £nil). Individually, the payments were: £6,202.

c. Staff numbers

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

	2016 No.	2015 No.
Teachers	54	55
Administration and support	61	56
Management	6	6
	<u>121</u>	<u>117</u>

d. Higher paid staff

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	-	1

The above employee participated in the Teachers Pension Scheme.

e. Key management personnel

The key management personnel of the academy trust comprise key trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £537,020 (2015 - £497,418).

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
A Westerman (Principal and Trustee)	Remuneration	5,000-10,000	80,000-85,000
(to 31 December 2015)	Pension contributions paid	0-5,000	10,000-15,000
A Stephenson (Staff Trustee)	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
R Everitt (Staff Trustee)	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £936 (2015 - £936).

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For the year ended 31 August 2016

13. Tangible fixed assets

	Leasehold Improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	472,951	16,000	108,005	265,865	862,821
Additions	105,692	-	9,574	33,625	148,891
At 31 August 2016	578,643	16,000	117,579	299,490	1,011,712
Depreciation					
At 1 September 2015	15,254	1,867	33,818	72,658	123,597
Charge for the year	10,268	3,200	22,832	58,488	94,788
At 31 August 2016	25,522	5,067	56,650	131,146	218,385
Net book value					
At 31 August 2016	553,121	10,933	60,929	168,344	793,327
At 31 August 2015	457,697	14,133	74,187	193,207	739,224

14. Stocks

	2016 £	2015 £
Uniform and stationery stocks	442	700

15. Debtors

	2016 £	2015 £
Trade debtors	16,949	14,584
Other debtors	92,605	77,341
Prepayments and accrued income	92,933	95,628
	202,487	187,553

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16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	199,368	189,826
Other taxation and social security	66,195	65,020
Other creditors	94,861	48,214
Accruals and deferred income	96,658	56,062
	<u>457,082</u>	<u>359,122</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	19,250	18,020
Resources deferred during the year	35,635	19,250
Amounts released from previous years	(19,250)	(18,020)
	<u>35,635</u>	<u>19,250</u>
Deferred income at 31 August 2016	<u>35,635</u>	<u>19,250</u>

At the balance sheet date the academy trust was holding funds received in advance in relation to Devolved Formula Capital Funding, Rates Reimbursements and Educational Visit Contributions.

17. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	<u>345,774</u>	<u>47,997</u>	<u>(40,406)</u>	<u>-</u>	<u>-</u>	<u>353,365</u>
Restricted funds						
General Annual Grant (GAG)	669,968	4,064,194	(4,155,602)	(133,607)	-	444,953
Other DfE/EFA grants	-	603,338	(603,338)	-	-	-
Local authority grants	-	27,206	(27,206)	-	-	-
Pension reserve	(922,000)	-	(52,000)	-	(596,000)	(1,570,000)
	<u>(252,032)</u>	<u>4,694,738</u>	<u>(4,838,146)</u>	<u>(133,607)</u>	<u>(596,000)</u>	<u>(1,125,047)</u>

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17. Statement of funds (continued)

Restricted fixed asset funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DfE/EFA Capital Grants	731,091	15,526	(91,830)	127,607	-	782,394
Other Capital Donations	8,133	-	(3,200)	6,000	-	10,933
	<u>739,224</u>	<u>15,526</u>	<u>(95,030)</u>	<u>133,607</u>	<u>-</u>	<u>793,327</u>
Total restricted funds	<u>487,192</u>	<u>4,710,264</u>	<u>(4,933,176)</u>	<u>-</u>	<u>(596,000)</u>	<u>(331,720)</u>
Total of funds	<u>832,966</u>	<u>4,758,261</u>	<u>(4,973,582)</u>	<u>-</u>	<u>(596,000)</u>	<u>21,645</u>

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

Restricted general funds

This fund represents grants and other income received for the academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the academy's share of the pension liability arising on the LGPS pension fund

Restricted fixed asset funds

This fund represent grants received from the DfE and EFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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18. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	793,327	793,327	739,224
Current assets	353,365	892,250	9,785	1,255,400	1,374,864
Creditors due within one year	-	(447,297)	(9,785)	(457,082)	(359,122)
Provisions for liabilities and charges	-	(1,570,000)	-	(1,570,000)	(922,000)
	<u>353,365</u>	<u>(1,125,047)</u>	<u>793,327</u>	<u>21,645</u>	<u>832,966</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(215,321)	29,155
Adjustment for:		
Depreciation charges	94,788	78,325
Dividends, interest and rents from investments	(6,459)	(7,251)
Decrease in stocks	258	3,810
(Increase)/decrease in debtors	(14,934)	64,416
Increase/(decrease) in creditors	97,960	(712,765)
Capital grants from DfE and other capital income	(15,526)	(15,167)
Defined benefit pension scheme cost less contributions payable	52,000	60,000
Net cash used in operating activities	<u>(7,234)</u>	<u>(499,477)</u>

20. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	1,052,471	1,186,611
Total	<u>1,052,471</u>	<u>1,186,611</u>

Blue Coat Church of England Academy (Walsall) Trust
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Notes to the Financial Statements
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21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £94,861 were payable to the schemes at 31 August 2016 (2015 - £48,214) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £298,361 (2015 - £259,978).

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

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21. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £135,000 (2015 - £112,000), of which employer's contributions totalled £103,000 (2015 - £81,000) and employees' contributions totalled £32,000 (2015 - £31,000). The agreed contribution rates for future years are 19.9% for employers and 5.7 - 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Rate of increase for pensions in payment / inflation	2.00 %	2.40 %
Inflation assumption (CPI)	2.00 %	2.40 %

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

	2016	2015
Retiring today		
Males	23.1 years	23.0 years
Females	25.8 years	25.6 years
Retiring in 20 years		
Males	25.3 years	25.2 years
Females	28.1 years	28.0 years

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21. Pension commitments (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	482,000	337,000
Bonds	126,000	99,000
Property	65,000	48,000
Cash/liquidity	52,000	28,000
Other	88,000	52,000
Total market value of assets	813,000	564,000

The actual return on scheme assets was £121,000 (2015 - £23,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(120,000)	(109,000)
Net interest cost	(35,000)	(32,000)
Total	(155,000)	(141,000)
Actual return on scheme assets	121,000	23,000

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

	2016 £	2015 £
Opening defined benefit obligation	1,486,000	1,250,000
Current service cost	120,000	109,000
Interest cost	60,000	52,000
Contributions by employees	32,000	31,000
Actuarial losses	692,000	70,000
Benefits paid	(7,000)	(26,000)
Closing defined benefit obligation	2,383,000	1,486,000

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21. Pension commitments (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	564,000	455,000
Return on plan assets (excluding net interest on the net defined pension liability)	25,000	20,000
Actuarial gains	96,000	3,000
Contributions by employer	103,000	81,000
Contributions by employees	32,000	31,000
Benefits paid	(7,000)	(26,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	813,000	564,000
	<hr/>	<hr/>

22. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	16,183	28,124
Between 1 and 5 years	7,024	23,207
	<hr/>	<hr/>
Total	23,207	51,331
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23. Related party transactions

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

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

Lichfield Diocesan Academies Services Limited

- The Academy Trust purchased services from Lichfield Diocesan Academies Services Limited a 100% owned subsidiary of Lichfield Diocesan Board of Education who is a member of the parent company totalling £187,540 during the period. There were no amounts outstanding at 31 August 2016.
- The Academy Trust made the purchases at arms' length in accordance with its financial regulations.
- In entering into the transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2015.

Blue Coat Church of England Academy (Walsall) Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2016

24. Controlling party

The largest and smallest group in which the results of the company are consolidated is that headed by the Church of England Central Education Trust, a company registered in England and Wales.

The consolidated accounts of this group are available for the public and maybe obtained from St Mary's House, The Close, Lichfield, WS13 7LD.

25. Members' liability

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

26. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	1 September 2014	31 August 2015
	£	£
Total funds under previous UK GAAP	870,811	832,966
Total funds reported under FRS 102	<u>870,811</u>	<u>832,966</u>
Reconciliation of net income	Notes	31 August 2015
		£
Net income before other recognised gains and losses previously reported under UK GAAP		38,155
Restatement of loss on defined benefit pension scheme	A	<u>(9,000)</u>
Net income before other recognised gains and losses reported under FRS 102		<u>29,155</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Movement of £9,000 being the remeasurement in other comprehensive income in relation to the Local Government Pension Scheme. The actuarial loss was previously reported as £76,000 and has been remeasured to £67,000 with the £9,000 movement increasing charitable activity expenditure in the prior year.
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