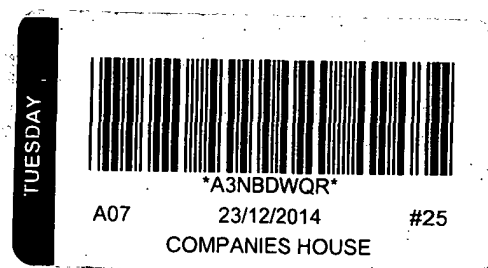


**Blue Coat Church of England Academy (Walsall) Trust**

Annual Report and Financial Statements

For the Year Ended 31 August 2014



**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**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers**  
**For the Year Ended 31 August 2014**

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<b>Members</b>	Church of England Central Education Trust (CECET) C Hopkins, CECET Appointed Rev'd H Bishop, CECET Appointed P Walters, The Holte School D Tonks, Chair
<b>Trustees</b>	A Westerman, Principal and Accounting Officer <sup>1</sup> D Tonks, Chair <sup>1</sup> A Orlik L Chamberlin (resigned 20 July 2014) J Walker <sup>1</sup> J Roberts R Everitt <sup>1</sup> S Rayner <sup>1</sup> P Walters <sup>1</sup> S Bailey A Stephenson M Ayodele (appointed 11 June 2014)  <sup>1</sup> member of finance and general purpose committee
<b>Senior management team</b>	Principal - A Westerman Vice Principal - J Hares Vice Principal - M McNamara Assistant Principal - K Patel Assistant Principal - E Perry Assistant Principal - D Plant Acting Assistant Principal - L Haines (from 4 Nov 13)
<b>Principal and registered office</b>	Birmingham Street Walsall West Midlands WS1 2ND
<b>Company registered number</b>	08137486
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank Plc 2nd Floor 125 Colmore Row Birmingham B3 3SF

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

**Trustees' Report**  
**For the Year Ended 31 August 2014**

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The Trustees (who are also directors of the academy for the purposes of the Companies Act) present their annual report together with the audited financial statements of Blue Coat Church of England Academy (Walsall) Trust (the academy) for the ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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 638 in the school census on 16 January 2014.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of Blue Coat Church of England Academy (Walsall) Trust and 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 throughout the year except as noted are included in the Reference and Administrative details on Page 1.

**b. 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.

**c. 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.

**d. Principal activities**

The principal activity of the academy is to advance for the public benefit 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 with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to the advice of the Diocesan Board of Education.

**e. 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.

**f. 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.

**g. 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 two Vice Principals. 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 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.

**h. Risk management**

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.

**i. 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 Lichfield Diocesan Board of Education as its lead sponsor, and Holte school as 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**

### **a. 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.

### **b. 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;
- 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.;
- Implement Academy restructuring programme; 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.

### **c. 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.

## **Strategic report**

### **Achievements and performance**

#### **KS5 A Level 2014 (2013)**

Average Point Score (APS) per student	669.11 (551.80)
APS per A Level entry	198.29 (181.90)

1+ A\*-E 100% (97%)

2+ A\*-E 81.48% (56%)

3+ A\*-E 44.44% (11%)

46% of A level entries achieved grade C or above

#### **Vocational Qualifications**

APS per vocational student	735.46 (755.60)
APS per vocational entry	252.00 (252.00)

71% of vocational entries achieved Distinction

87% of vocational entries achieved Distinction or above

100% of vocational entries achieved Merit or above

#### **KS4 2014 (2013)**

3+ A\*-A 15% (18%)

5+ A\*-C including English & Maths 52% (52%)

5+ A\*-C 53% (72%)

EBacc. 18% (14%)

3 Levels Progress English 63% (62%)

3 Levels Progress Maths 70% (71%)

C or above English 56%(56%)

C or above Maths 67%(60%)

Average Capped Point Score 278 (301)

Following changes to the qualifications validated by the DfE, most vocational courses, worth between 1 and 4 GCSEs each, were replaced by single GCSEs. This is the reason why the number of GCSE equivalent passes fell in 2014, as did the APS. The performance of existing individual GCSE subjects was however maintained or improved in most cases.



**a. Review of activities**

**Capital Investment In Buildings**

- During the year under review, the Academy continued with Phase 3 of its refurbishment works which included the completion of works to lighting, ceiling, flooring, replacement of new doors, and decoration.
- An additional programme (ongoing) of refurbishment of classrooms was undertaken during the year, which included new carpets, tables and chairs.
- Works were undertaken to create additional parking bays at the upper car park, and remedial tarmacking works to the lower car park.
- Storage area was redesigned into SEN facility
- Removal of redundant staircase from Main Block

**Future Plans**

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

- Refurbishment of ICT Suite to include new carpets, chairs, desks, ceiling, windows, ventilation etc. (£30k)
- Resurfacing of Quad (internal recreational area for pupils), and explore the possibility of creating covered areas for extending dining (£50k)
- Rolling programme of refurbishment of classrooms to reduce carbon foot print and heating costs. Works would entail replacing windows, lighting, suspended ceiling
- Upgrade Heating system

**Capital Investment in ICT Upgrade**

The Academy invested circa £150,000 in upgrading the ICT facilities, which included purchase of 210 new computers, Projectors and LED Touch Screens.

During 2014/15, the Academy proposes to invest additional funds to develop its ICT function further in terms of both hardware and software.

**Blue Coat Church of England Academy (Walsall) Trust**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2014**

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**b. Key financial performance indicators**

The reporting year represents the Academy's second 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.

<b>Staffing Costs as a % of Total Revenue Expenditure</b>		
	<b>2013/14</b>	<b>2012/13</b>
Teaching Staff	54.03%	56.80%
Education Support Staff	10.22%	9.70%
Premises Staff	1.86%	1.90%
Admin Staff	6.14%	5.70%

	<b>2013/14</b>	<b>2012/13</b>
Total staff costs as a percentage of overall income	70.9%	63.1%

**c. 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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year the total expenditure of £4,493,395 (2012/13 £4,344,979) was more than covered by grant funding from the EFA together with other incoming resources. The excess of income over expenditure of the Academy for the year excluding the restricted fixed asset funds was £356,819 (2012/13 £110,938).

Under Accounting Standard FRS17, 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 £795,000 at 31 August 2014 (£941,000 at 31 August 2013), 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.

**a. 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 free reserves should be equivalent to one month's expenditure, approximately £370,000. 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 £1,023,511 (2012/13 £945,335).

**b. 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 £1million in a Corporate Deposit Account with CCLA, which has generated additional income in interest which has been above the average market rate.

**c. 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 23 to the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

#### **d. Principal risks and uncertainties**

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.

#### **Plans for future periods**

##### **a. Future developments**

Following its conversion to 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 trustee on behalf of others**

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

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

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2014**

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**Disclosure of information to auditors**

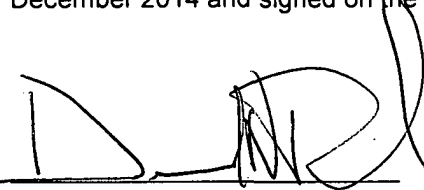
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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.

The Trustees' Report, incorporating a Strategic report, was approved by order of the board of Trustees on 4 December 2014 and signed on the board's 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**  
**(A company limited by guarantee)**

**Governance Statement**

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**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 Trustees' responsibilities statement. The board of trustees has formally met 6 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
A Westerman, Principal and Accounting Officer	6	6
D Tonks, Chair	6	6
A Orlik	5	6
L Chamberlin (resigned 20 July 2014)	4	6
J Walker	6	6
J Roberts	6	6
R Everitt	6	6
S Rayner	5	6
P Walters	4	6
S Bailey	3	4
A Stephenson	6	6
M Ayodele (appointed 22 May 2014)	2	2

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	6	6
D Tonks	6	6
J Walker	5	6
R Everitt	6	6
S Rayner	6	6
P Walters	3	6
P Freeman	5	6

**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 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 2013 to 31 August 2014 and up to the date of approval of the annual

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

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report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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'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'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.

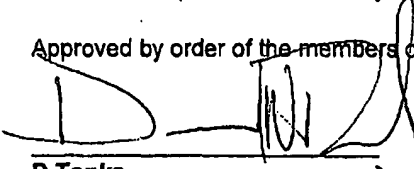
**Review of Effectiveness**

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 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 4 December 2014 and signed on its behalf, by:

  
**D Tonks**  
Chair of Trustees

  
**A Westerman**  
Accounting Officer

**Blue Coat Church of England Academy (Walsall) Trust**  
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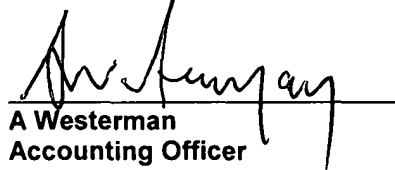
**Statement on Regularity, Propriety and Compliance**

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As Accounting Officer of Blue Coat Church of England Academy (Walsall) Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2013).

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.



**A Westerman**  
**Accounting Officer**

Date: 4 December 2014



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

**Trustees' Responsibilities Statement**  
**For the Year Ended 31 August 2014**

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

The 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 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 4 December 2014 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**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Board of Trustees of Blue Coat Church of England Academy (Walsall) Trust**

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We have audited the financial statements of Blue Coat Church of England Academy (Walsall) Trust for the year ended 31 August 2014 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) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**Respective responsibilities of Trustees and auditors**

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

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'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 academy's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**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.

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

**Independent Auditors' Report to the Board of Trustees of Blue Coat Church of England Academy**  
**(Walsall) Trust**

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**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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
4 December 2014

**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**

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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 2013 to 2014, 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 2013 to 31 August 2014 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 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 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 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by 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's income and expenditure.

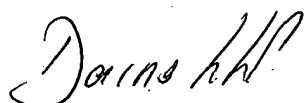
**Blue Coat Church of England Academy (Walsall) Trust**  
**(A company limited by guarantee)**

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

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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

4 December 2014

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

**Statement of Financial Activities (including income and expenditure account and statement of recognised gains and losses)**  
**For the Year Ended 31 August 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income - transfer from						
Local Authority on conversion	2	-	-	-	-	(516,826)
Other voluntary income	2	20,244	-	-	20,244	27,252
Activities for generating funds	3	36,466	-	-	36,466	26,195
Investment income	4	7,519	-	-	7,519	210
Incoming resources from charitable activities:	5					
Funding for the academy trust's educational operations		-	4,749,474	15,073	4,764,547	5,124,578
<b>Total incoming resources</b>		<b>64,229</b>	<b>4,749,474</b>	<b>15,073</b>	<b>4,828,776</b>	<b>4,661,409</b>
<b>Resources expended</b>						
Charitable activities:	8					
Academy trust educational operations		34,480	4,403,427	36,511	4,474,418	4,334,377
Governance costs	9	-	18,977	-	18,977	10,602
<b>Total resources expended</b>	6	<b>34,480</b>	<b>4,422,404</b>	<b>36,511</b>	<b>4,493,395</b>	<b>4,344,979</b>
<b>Net incoming resources before transfers</b>		<b>29,749</b>	<b>327,070</b>	<b>(21,438)</b>	<b>335,381</b>	<b>316,430</b>
Transfers between funds	18	-	(336,643)	336,643	-	-
<b>Net incoming resources before revaluations</b>		<b>29,749</b>	<b>(9,573)</b>	<b>315,205</b>	<b>335,381</b>	<b>316,430</b>
Actuarial gains on defined benefit pension scheme		-	204,000	-	204,000	15,000
<b>Net movement in funds for the year</b>		<b>29,749</b>	<b>194,427</b>	<b>315,205</b>	<b>539,381</b>	<b>331,430</b>
Total funds at 1 September 2013		290,072	(285,737)	327,095	331,430	-
<b>Total funds at 31 August 2014</b>		<b>319,821</b>	<b>(91,310)</b>	<b>642,300</b>	<b>870,811</b>	<b>331,430</b>

All of the academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 23 to 40 form part of these financial statements.

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

**Balance Sheet**  
**As at 31 August 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	14		642,300		327,095
<b>Current assets</b>					
Stocks	15	4,510		19,893	
Debtors	16	251,969		131,437	
Cash at bank and in hand		1,838,919		1,661,363	
		<u>2,095,398</u>		<u>1,812,693</u>	
<b>Creditors:</b> amounts falling due within one year	17	(1,071,887)		(867,358)	
<b>Net current assets</b>			<u>1,023,511</u>		<u>945,335</u>
<b>Total assets less current liabilities</b>			<u>1,665,811</u>		<u>1,272,430</u>
Defined benefit pension scheme liability	23	(795,000)		(941,000)	
<b>Net assets including pension scheme liability</b>			<u><u>870,811</u></u>		<u><u>331,430</u></u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	18	703,690		655,263	
Pension reserve	18	(795,000)		(941,000)	
Restricted fixed asset funds	18	642,300		327,095	
Total restricted funds			<u>550,990</u>		<u>41,358</u>
Unrestricted funds	18		<u>319,821</u>		<u>290,072</u>
<b>Total funds</b>			<u><u>870,811</u></u>		<u><u>331,430</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2014 and are signed on their behalf, by;



**D Tonks**  
**Chair of Trustees**

The notes on pages 23 to 40 form part of these financial statements.

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

**Cash Flow Statement**  
**For the Year Ended 31 August 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	506,877	1,825,266
Returns on investments and servicing of finance	21	7,519	210
Capital expenditure and financial investment	21	(336,840)	(164,113)
Cash transferred on conversion to an academy trust		-	(381,949)
<b>Increase in cash in the year</b>		<b>177,556</b>	<b>1,279,414</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the Year Ended 31 August 2014**

	2014 £	2013 £
Increase in cash in the year	177,556	1,279,414
<b>Change in net debt resulting from cash flows</b>	<b>177,556</b>	<b>1,279,414</b>
Cash transferred on conversion to an academy trust	-	381,949
<b>Movement in net funds in the year</b>	<b>177,556</b>	<b>1,661,363</b>
Net funds at 1 September 2013	1,661,363	-
<b>Net funds at 31 August 2014</b>	<b>1,838,919</b>	<b>1,661,363</b>

The notes on pages 23 to 40 form part of these 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 2014**

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**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by the EFA, applicable accounting standards and the Companies Act 2006.

**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 to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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 which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

**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.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

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**1. Accounting Policies (continued)**

**1.4 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Charitable activities**

Charitable activities are costs incurred in the academy's educational operations.

**Governance costs**

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

On the transfer date of 1 September 2013, the academy was gifted the school playing fields by Walsall Metropolitan Borough Council on a 125 year lease. The playing fields value will be based upon a desktop valuation provided by the Education Funding Agency (EFA) under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard (FRS) 15. The valuation will be carried out by a firm of professional valuers and has been commissioned by the EFA as part of a wider review of Academy building valuations. The governors consider that this will be a reasonable basis for inclusion in the financial statements.

The donation of the playing fields to the academy has not been included within the financial statements due to the EFA valuation not being made available by the date of signing the financial statements.

Tangible fixed assets are stated at cost less depreciation. 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
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.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

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**1. Accounting Policies (continued)**

**1.6 Operating leases**

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

**1.7 Stocks**

Unsold uniforms and stationary stocks are valued at the lower of cost and net realisable value.

**1.8 Taxation**

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

**1.9 Pensions**

Retirement benefits to employees of the academy 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

**1. Accounting Policies (continued)**

**1.10 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the 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 and include grants from the Department for Education.

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

**1.11 Transfers between funds**

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

**2. Voluntary income**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer from Local Authority on conversion	-	-	-	(516,826)
Donations	20,244	-	20,244	27,252
Voluntary income	20,244	-	20,244	(489,574)

**3. Activities for generating funds**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	25,341	-	25,341	23,639
Other income	11,125	-	11,125	2,556
	36,466	-	36,466	26,195

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

**4. Investment income**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	7,519	-	7,519	210

**5. Funding for Academy's educational operations**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,075,719	4,075,719	4,139,373
Pupil premium	-	260,267	260,267	230,200
Start up grants	-	318,826	318,826	478,522
Capital grant	-	15,073	15,073	146,321
Other EFA grants	-	54,566	54,566	33,862
	-	4,724,451	4,724,451	5,028,278
<b>Other government grants</b>				
Local authority grants	-	32,637	32,637	72,801
	-	32,637	32,637	72,801
<b>Other funding</b>				
GTP income	-	-	-	14,500
Other Grant Income	-	7,459	7,459	9,000
	-	7,459	7,459	23,500
	-	4,764,547	4,764,547	5,124,579

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

**6. Resources expended**

	<b>Staff costs</b>	<b>Non Pay Premises</b>	<b>Expenditure Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct costs	2,936,244	54,500	503,463	3,494,207	3,478,816
Support costs	447,207	364,032	168,972	980,211	855,561
<b>Charitable activities</b>	<b>3,383,451</b>	<b>418,532</b>	<b>672,435</b>	<b>4,474,418</b>	<b>4,334,377</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>18,977</b>	<b>18,977</b>	<b>10,602</b>
	<b>3,383,451</b>	<b>418,532</b>	<b>691,412</b>	<b>4,493,395</b>	<b>4,344,979</b>

**7. Analysis of resources expended by activities**

	<b>Direct Costs</b>	<b>Support costs</b>	<b>Total</b>	<b>Total</b>
	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Academy's educational operations	3,494,207	980,211	4,474,418	4,334,377

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

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2014**

**8. Charitable activities**

	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	2,363,088	2,333,906
National insurance	186,458	186,736
Pension cost	295,654	290,175
Depreciation	36,708	8,563
Educational Supplies	526,685	490,869
Staff Development	17,066	15,011
Technology Costs	17,989	88,277
Educational Consultancy	25,545	19,101
Travel and subsistence	446	1,140
Other direct costs	-	23,220
Recruitment and support	24,568	21,818
	<u>3,494,207</u>	<u>3,478,816</u>
<b>Support costs - educational operations</b>		
Wages and salaries	316,414	283,282
National insurance	18,935	18,184
Pension cost	111,858	90,248
Travel and subsistence	16,720	17,452
Other support costs	53,555	33,509
Maintenance of premises	44,230	80,796
Maintenance of equipment	54,789	23,778
Cleaning	99,283	71,558
Operating leases	17,171	12,708
Rates	17,657	14,709
Water rates	15,535	13,870
Energy	80,870	80,533
Insurance	34,497	33,755
Catering costs	98,697	81,179
	<u>980,211</u>	<u>855,561</u>
	<u><u>4,474,418</u></u>	<u><u>4,334,377</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 2014**

**9. Governance costs**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	7,450	7,450	7,250
Auditors' non audit remuneration	-	9,300	9,300	950
Legal and professional fees	-	2,227	2,227	2,402
	-	18,977	18,977	10,602

**10. Net incoming resources**

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	36,708	8,564
Auditors' remuneration	7,450	7,250
Auditors' non audit remuneration	9,300	950

**11. Staff**

**a. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,679,502	2,617,188
Social security costs	205,393	204,920
Other pension costs (Note 23)	407,512	380,422
	3,292,407	3,202,530
Supply teacher costs	81,114	7,550
Restructuring costs	9,930	21,318
	3,383,451	3,231,398



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**11. Staff (continued)**

**b. Staff numbers**

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	46	44
Administration and support	37	31
Management	6	6
	<u>89</u>	<u>81</u>

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions for this member of staff amounted to £11,428 (2013 - £10,774).

**12. Trustees' remuneration and expenses**

The Principal and other staff Trustees only receive salary and pension in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £	2013 £
A Westerman (Principal and Trustee)	90,000-95,000	85,000-90,000
R Everitt (Staff Trustee)	35,000-40,000	30,000-35,000
A Stephenson (Staff Trustee)	45,000-50,000	45,000-50,000

During the year, no Trustees received any benefits in kind (2013 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

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**13. 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 2014 was £936 (2013 - £935). The cost of this insurance is included in the total insurance cost.

**14. Tangible fixed assets**

	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2013	217,254	27,193	91,212	335,659
Additions	183,625	48,655	119,633	351,913
At 31 August 2014	400,879	75,848	210,845	687,572
<b>Depreciation</b>				
At 1 September 2013	1,867	5,111	1,586	8,564
Charge for the year	4,818	9,441	22,449	36,708
At 31 August 2014	6,685	14,552	24,035	45,272
<b>Net book value</b>				
At 31 August 2014	394,194	61,296	186,810	642,300
At 31 August 2013	215,387	22,082	89,626	327,095

**15. Stocks**

	2014 £	2013 £
Uniform and stationary stocks	4,510	19,893

**16. Debtors**

	2014 £	2013 £
Trade debtors	6,562	2,699
VAT Recoverable	162,624	64,912
Prepayments and accrued income	82,783	63,826
	251,969	131,437

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

	2014 £	2013 £
Trade creditors	784,754	432,500
Other taxation and social security	61,061	59,331
Other creditors	46,414	97,873
Accruals and deferred income	179,658	277,654
	<u>1,071,887</u>	<u>867,358</u>

**Deferred income**

Deferred income at 1 September 2013	8,850
Resources deferred during the year	18,020
Amounts released from previous years	(8,850)
	<u>18,020</u>
Deferred income at 31 August 2014	<u>18,020</u>

**18. Statement of funds**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	290,072	64,229	(34,480)	-	-	319,821
<b>Restricted funds</b>						
General Annual Grant (GAG)	26,990	3,952,099	(2,938,756)	(336,643)	-	703,690
Other DfE/EFA grants	560,836	777,143	(1,337,979)	-	-	-
Local authority grants	52,616	12,773	(65,389)	-	-	-
Other grant income	14,821	7,459	(22,280)	-	-	-
Pension reserve	(941,000)	-	(58,000)	-	204,000	(795,000)
	<u>(285,737)</u>	<u>4,749,474</u>	<u>(4,422,404)</u>	<u>(336,643)</u>	<u>204,000</u>	<u>(91,310)</u>

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**18. Statement of funds (continued)**

**Restricted fixed asset funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
DfE/EFA Capital Grants	327,095	15,073	(36,511)	336,643	-	642,300
Total restricted funds	41,358	4,764,547	(4,458,915)	-	204,000	550,990
Total of funds	331,430	4,828,776	(4,493,395)	-	204,000	870,811

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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**Summary of funds**

	<b>Brought Forward £</b>	<b>Incoming resources £</b>	<b>Resources Expended £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
General funds	290,072	64,229	(34,480)	-	-	319,821
Restricted funds	(285,737)	4,749,474	(4,422,404)	(336,643)	204,000	(91,310)
Restricted fixed asset funds	327,095	15,073	(36,511)	336,643	-	642,300
	331,430	4,828,776	(4,493,395)	-	204,000	870,811

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**19. Analysis of net assets between funds**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	642,300	642,300	327,096
Current assets	319,821	1,722,183	53,393	2,095,397	1,812,692
Creditors due within one year	-	(1,018,493)	(53,393)	(1,071,886)	(867,358)
Provisions for liabilities and charges	-	(795,000)	-	(795,000)	(941,000)
	<u>319,821</u>	<u>(91,310)</u>	<u>642,300</u>	<u>870,811</u>	<u>331,430</u>

**20. Net cash flow from operations**

	2014 £	2013 £
Net incoming resources before revaluations	335,381	316,430
Returns on investments and servicing of finance	(7,519)	(210)
Non-cash gift from the Local Authority	-	898,775
Depreciation of tangible fixed assets	36,708	8,564
Capital grants from DfE	(15,073)	(146,321)
Decrease/(increase) in stocks	15,383	(19,893)
Increase in debtors	(120,532)	(131,437)
Increase in creditors	204,529	867,358
FRS 17 adjustments	58,000	32,000
<b>Net cash inflow from operations</b>	<u>506,877</u>	<u>1,825,266</u>

**21. Analysis of cash flows for headings netted in cash flow statement**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>7,519</u>	<u>210</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(351,913)	(310,434)
Capital grants from DfE	<u>15,073</u>	<u>146,321</u>
<b>Net cash outflow capital expenditure</b>	<u>(336,840)</u>	<u>(164,113)</u>

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**22. Analysis of changes in net funds**

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	1,661,363	177,556	-	1,838,919
<b>Net funds</b>	<b>1,661,363</b>	<b>177,556</b>	<b>-</b>	<b>1,838,919</b>

**23. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £46,413 were payable to the scheme at 31 August 2014 (2013 - £41,835) 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

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 for service to the effective date of £191,500 million, and notional assets of

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**23. Pension commitments (continued)**

- £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2014 was £129,000, of which employer's contributions totalled £94,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 19.9% for employers and 5.5 - 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.

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**23. Pension commitments (continued)**

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,250,000)	(1,286,000)
Fair value of scheme assets	455,000	345,000
Net liability	<u>(795,000)</u>	<u>(941,000)</u>

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

	2014 £	2013 £
Current service cost	113,000	81,000
Interest on pension liabilities	63,000	54,000
Expected return on assets	(24,000)	(15,000)
Total	<u>152,000</u>	<u>120,000</u>
Actual return on scheme assets	<u>43,000</u>	<u>30,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	1,286,000	-
Current service costs	113,000	81,000
Interest on pension liabilities	63,000	54,000
Member contributions	35,000	25,000
Liabilities assumed in a business combination	-	1,114,000
Benefits/transfers paid	-	12,000
Actuarial (gains)/losses	(247,000)	-
Closing defined benefit obligation	<u>1,250,000</u>	<u>1,286,000</u>



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**23. Pension commitments (continued)**

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

	2014 £	2013 £
Opening fair value of scheme assets	345,000	-
Assets acquired in a business combination	-	190,000
Expected return on plan assets	24,000	15,000
Actuarial gains/(losses)	(43,000)	15,000
Employer contributions	94,000	88,000
Member contributions	35,000	25,000
Benefits/transfers paid	-	12,000
	455,000	345,000

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £219,000 (2013 - £15,000).

The academy expects to contribute £107,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	45.00 %	42.40 %
Bonds	18.20 %	19.60 %
Property	8.70 %	8.70 %
Cash/liquidity	4.40 %	4.10 %
Other	23.70 %	25.20 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.60 %
Expected return on scheme assets at 31 August	5.88 %	5.89 %
Rate of increase in salaries	3.95 %	4.15 %
Rate of increase for pensions in payment / inflation	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %

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

	2014	2013
Retiring today		
Males	22.9	22.1
Females	25.9	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

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**23. Pension commitments (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,250,000)	(1,286,000)
Scheme assets	455,000	345,000
Deficit	<u>(795,000)</u>	<u>(941,000)</u>

**24. Operating lease commitments**

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
<b>Expiry date:</b>				
Within 1 year	-	-	-	12,856
Between 2 and 5 years	-	-	<u>28,125</u>	<u>15,461</u>

**25. Related party transactions**

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

No related party transactions took place in the period of account.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by Church of England Central Education Trust, on the grounds that 100% of the voting rights in the company are controlled within the group and the company's result are included within the consolidated financial statements for the group.

**26. Ultimate parent undertaking and 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.