

Registered company number 4251277
Registered charity number 1088553

**Walsall City Academy Trust –
a company limited by guarantee**

Governors' report and financial
Statements
For the year ended 31 August 2008



Walsall City Academy Trust
- a company limited by guarantee
Governors' report and financial statements
for the year ended 31 August 2008

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Governors' report

The Governors, who are also directors of the Charitable Company for the purposes of the Companies Act, present their report and the audited financial statements of the Charitable Company for the year ended 31st August 2008. The financial statements have been prepared in accordance with The Walsall City Academy Trust constitution and the recommendations of the Statement of Recommended Practice 2005 – Accounting and Reporting by Charities and in accordance with applicable laws.

Governors

The Governors, who served during the year, and subsequently to the date of the report, were:

Sir Michael Wakeford OBE (Chairman)
C H Whittington
JA Watney
JH Birkett
M St John Parker (Co-opted Governor)
Mrs N Kelly (Co-opted Governor)
Mrs A Steatham (Co-opted Governor resigned 15 July 2008)
GJ Smith (Co-opted Governor)
FKJ Jackson
JD Hedges
J Bowater (appointed 24 October 2008)
R Harrison OBE (appointed 24 October 2008)
C H Parker (resigned 31 May 2008)

Sir Michael Wakeford, CH Whittington, JD Hedges and JA Watney are Governors nominated by The Wardens & Commonalty of the Mystery of Mercers ("The Mercers' Company"). JH Birkett, J Bowater, FKJ Jackson and R Harrison are nominated by Telford City Technology College Trust Limited, FKJ Jackson and J Bowater are also trustees of both Telford City Technology College Development Trust and Telford City Technology College Trust Limited.

The Governors constitute directors of the Charitable Company for Companies Act purposes.

Senior staff members

J Hickman Head

Advisors

The main advisors to the Governors are:

Auditors	Horwath Clark Whitehill LLP Foley House 123 Stourport Road Kidderminster, Worcs DY11 7BW
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Governors' report (continued)

Banking & Investment Management

HSBC Bank Plc
137 Thetford Chase
The Telford Centre
Telford
TF3 4AN

Solicitors

Macfarlanes (property)
10 Norwich Street
London
EC4A 1BD

Wragge & Co (employment)
55 Colmore Row
Birmingham
B3 2AS

Employees

Walsall City Academy is an equal opportunity employer and strives to give full and fair consideration to all applications for employment, training, and promotions, irrespective of disability, gender, race colour or sexual orientation.

Status of the Charitable Company

The Charitable Company is limited by guarantee (registered number 4251277) and is a registered charity under the Charities Act 1993 (registration number 1088553.) The registered office of the Charitable Company is: Lichfield Road, Bloxwich, Walsall, WS3 3LX.

Structure, Governance and Management

The Academy has a Governing Board and Finance and Premises Committee, the process and methodology for appointments are as follows:

The composition of the Board is four governors nominated by each of the sponsors (the Sponsor Governors) who must always be in the majority and no fewer than four persons co-opted by the Sponsor Governors ("Co-opted Governors") who shall include individuals from the local community committed to the good governance of the Academy, at least one of whom may be proposed by the LA, and individuals representing the interests of staff and parents of students at the Academy.

The Governors appoint a Finance and Premises Committee annually. The written terms of reference of the committee include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment and premises.

Governors' report (continued)

During the year, membership of the Committee comprised: FKJ Jackson (Chairman), Sir Michael Wakeford (ex officio) CH Whittington, CH Parker and GJ Smith. Student Discipline, Staff Discipline and Appeals Committees are appointed as required.

The Chairman conducts a needs analysis of each newly appointed Governor and an induction programme to meet those needs is provided by the Academy. All training opportunities offered by the Department for Children, Schools and Families ("DCSF") and The Mercers' Company are attended by representatives of the Governing Body.

The Governing Board are volunteers.

Fixed Assets

All details as per attached notes to the accounts.

Investment Policy

Surplus funds are invested with HSBC in a deposit account. These investments are carried out in accordance with the powers vested in the Governing Body.

Risk Assessment

The Governors confirm that, as part of an ongoing process, the major risks to which the Charitable Company is exposed have been reviewed and systems have been established to mitigate any risks identified. Business Risk assessment is reviewed termly and reported to the Finance & Premises committee and the Governing Board. In the first four years no major issues or events have occurred.

Objectives and Activities

The principal activity of the Charitable Company is the operation of Walsall Academy to provide free education for students of all abilities between the ages of 11 and 19 with an emphasis on science, technology and performing arts.

The period covered by these financial statements is the 5th full year of operation of the Academy.

The sponsors of the Walsall Academy are Telford City Technology College Trust Limited and The Mercers' Company.

The strategic goal of the Walsall Academy is 'to raise educational standards through effective practice and share this with a wider community'.

The main objectives of the Academy are summarised below:

- To raise the quality of education, teaching and learning and to widen the range of choices which are available to students
- Provide a strategy for raising achievement across the three phases of the school in all areas of experience

Governors' report (continued)

- Ensure equal status is given to vocational/academic courses
- To provide value for money for the funds expended
- To comply with all the appropriate statutory and curriculum requirements
- To develop and maintain close links with industry and commerce

The Head identifies the key issues of development for the school over a 3 year period. In collaboration with the Senior Management Team this development plan is written to outline strategies for delivering those key issues. This draft plan is then presented to the Governing Board for their consideration and approval. The School Development Plan is reviewed each term and findings presented to the Governing Board (this plan is available on request).

Achievements and performance

The Academy enrolment at year's 7, 8, 9, 10 & 11 is full. The sixth form is well populated with students continuing their studies post 16 following GCSE's joined by some students from other local schools.

The outcomes of the 2008 examinations for year 11 saw 81% of students achieving 5 A* to C, which is above the local average (50% in 2007) and England average (62% in 2007) and 50% of students achieving 5 A* to C including English and Mathematics which is also above the local average (36% in 2007) and England average (46% in 2007.) All students achieved at least one qualification at GCSE A* to G or equivalent, and 99% achieved 5 qualifications at GCSE A* to G or equivalent.

The 2008 AGCE and Applied GCE results saw students achieving a pass rate of 90%.

The Governors receive regular reports on the students sporting achievements. The wide range of sporting activities continues to develop in all age groups, including boys football, girls football, boys rugby, girls rugby, netball, badminton, hockey, basketball, rounders, athletics and tennis. Our teams play in competition with local schools and inter Academies Tournaments.

The students' involvement in Performing Arts is flourishing and the highlight of the year was the participation of thirty students in the Royal Opera Dance project.

The Sports Hall refurbishment project is nearing completion which will further improve the facilities and the space available to both the PE and Performing Arts departments.

Recurrent expenditure for the year was covered by grants from the DCSF and via the Local Authority ("LA").

Performance is measured on the above targets by measuring outcomes against targets, analysing the outcomes and reporting to Governing Board.

No expenditure has been incurred relating to future income generation.

Governors' report (continued)

Financial review

The Financial position of the Academy is detailed in the following pages. Whilst the carried forward surplus is still below the maximum carry forward figure permitted, it is considered the finances are sound and well established. The principal financial management policies adopted are laid down by the Companies Act, the requirements under the Charities Statement of Recommended Practice ("SORP"), the Finance Handbook for Academies published by the DCSF and requirements as laid down by The Finance and Premises Committee and the Governing Board.

During the year ended 31 August 2008 the total expenditure was £6,142,319. The surplus of income over expenditure was £51,855, which includes depreciation of £529,299.

At 31st August 2008 the net book value of fixed assets was £14,718,141 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing the education and the associated support services to the pupils of the Academy.

Reserves policy

The Governors will ensure that the reserves policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the DCSF. Academies are allowed to carry forward 12% of the current year's General Annual Grant ("GAG"). The amount that can be carried forward is an amount equivalent to 2% of that year's GAG which may be used for any purpose and an amount equivalent to 10% of that year's GAG which may only be used for upkeep and improvement of premises, including capital expenditure.

At the year end free reserves totalled £101,589.

Plan for future periods

Future plans are documented in the School Development Plan – see page 4.

Disclosure of information to auditors


The Governors who held office at the date of this Governors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trusts' auditors are unaware; and each Governor has taken all steps they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

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Auditors

The appointment of the current auditors, Horwath Clark Whitehill LLP, will be continued in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Governors on 26 November 2008 and signed on their behalf by:



Sir Michael Wakeford OBE
Chairman of the Board of Governors

Lichfield Road
Bloxwich
Walsall
WS3 3LX

Statement of Governors' responsibilities in respect of the Governors' Report and the financial statements

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Walsall City Academy Trust

We have audited the financial statements of Walsall City Academy Trust for the year ended 31st August 2008 set out on pages 10 to 28. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditors

The Governors' (who are also the directors of Walsall City Academy Trust for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion the information given in the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding Governors' remuneration and other transactions with the charity is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditor's Report to the Members of Walsall City Academy Trust (continued)

Unqualified Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31st August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985;
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the DCSF in respect of the relevant financial year;
- grants made by the DCSF have been applied for the purposes intended; and
- the information given in the Governors' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP
Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors
Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW

11 December 2008

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**Statement of Financial Activities
for the year ended 31 August 2008**

	<i>Note</i>	Unrestricted Funds	Restricted Fixed asset Fund	Restricted Income Fund	Total 2008	Total 2007
		£	£	£	£	£
Incoming Resources						
Incoming resources from generated funds:						
Sponsors donation	3	-	156,000	-	156,000	-
Investment income	3	61,889	-	-	61,889	41,874
Incoming resources from charitable activities						
Funding for educational operations	3	-	24,560	5,646,969	5,671,529	4,754,967
Catering income	3	304,756	-	-	304,756	290,098
Total incoming resources		<u>366,645</u>	<u>180,560</u>	<u>5,646,969</u>	<u>6,194,174</u>	<u>5,086,939</u>
Resources expended						
Charitable activities						
Provision of education	5/6	19,908	529,299	5,246,930	5,796,137	5,435,608
Catering costs	5/6	308,508	-	-	308,508	292,652
Governance costs	5/6	-	-	37,674	37,674	41,449
Other resources expended		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Total resources expended	5/6	<u>328,416</u>	<u>529,299</u>	<u>5,284,604</u>	<u>6,142,319</u>	<u>5,794,709</u>
Net (expenditure)/incoming resources before transfers		38,229	(348,739)	362,365	51,855	(707,770)
Transfers						
Gross transfers between funds	16	<u>-</u>	<u>244,923</u>	<u>(244,923)</u>	<u>-</u>	<u>-</u>
Net (outgoing)/incoming resources before other recognised gains and losses being net movements in funds		<u>38,229</u>	<u>(103,816)</u>	<u>117,442</u>	<u>51,855</u>	<u>(707,770)</u>
Reconciliation of funds						
Total funds brought forward	16/17	<u>63,360</u>	<u>14,821,957</u>	<u>188,295</u>	<u>15,073,612</u>	<u>15,781,382</u>
Total funds carried forward	16/17	<u>101,589</u>	<u>14,718,141</u>	<u>305,737</u>	<u>15,125,467</u>	<u>15,073,612</u>

All of the above results are derived from continuing operations. All gains and losses are included above. The surplus for the year for Companies Act purposes, which comprises the net incoming resources for the year, was £51,855 (2007: £707,770 deficit).

There is no difference between the results as stated and the results on a historical cost basis.

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**Balance sheet
at 31 August 2008**

	<i>Note</i>	2008	2007
		£	£
Fixed assets			
Tangible fixed assets	11	14,718,141	14,821,957
Current assets			
Stock	12	-	5,681
Debtors	13	24,351	92,034
Cash at bank and in hand		<u>1,302,759</u>	<u>827,354</u>
		1,327,110	925,069
Creditors: Amounts falling due within one year	14	<u>(919,784)</u>	<u>(673,414)</u>
Net current assets		<u>407,326</u>	<u>251,655</u>
Net assets		<u>15,125,467</u>	<u>15,073,612</u>
Unrestricted funds:			
Funds:			
General fund	17	101,589	63,360
Restricted funds:			
Restricted fixed asset fund	16	14,718,141	14,821,957
Restricted income fund	16	<u>305,737</u>	<u>188,295</u>
		<u>15,125,467</u>	<u>15,073,612</u>

The financial statements were approved by the Governors on 26 November 2008 and signed on their behalf by:



Sir Michael Wakeford OBE
Chairman of the Board of Governors

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**Cash flow statement
for the year ended 31 August 2008**

	Note	2008 £	2007 £
Operating activities			
DCSF per capita grant		5,200,318	4,335,010
Other receipts		774,964	682,746
DCSF per capita payments		(4,536,298)	(4,379,766)
Other payments		(750,404)	(682,689)
Movement in stock		<u>(5,681)</u>	<u>-</u>
Net cash flow from operating activities		682,899	(44,699)
Return on investments and servicing of finance			
Interest received		61,889	41,874
Capital expenditure			
Sponsor donation		156,000	14,157
Purchase of fixed assets		<u>(425,483)</u>	<u>(56,067)</u>
		<u>(269,483)</u>	<u>(41,910)</u>
(Decrease)/increase in cash and cash equivalents	20	<u>475,305</u>	<u>(44,735)</u>
Reconciliation of net cash flow to movement in net funds			
For the year ended 31 August 2008		2008 £	2007 £
Increase/(decrease) in cash in the year		475,305	(44,735)
Net funds at beginning of year		<u>827,354</u>	<u>872,089</u>
Net funds at end of year		<u>1,302,659</u>	<u>827,354</u>

Notes

1 Status of the Charitable Company

The Charitable Company is limited by guarantee. Each member of the charitable company has undertaken to contribute up to £1 to the Charitable Company's assets if it should be wound up.

The members of the Charitable Company are Sir Michael Wakeford OBE, The Mercers' Company, Telford City Technology College Trust Limited, JH Birkett, CH Whittington and JA Watney.

2 Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards, including the Statement of Recommendation Practice "Accounting and Reporting by Charities", issued in March 2005 (SORP 2005) the Companies Act 1985 and under the historical cost accounting rules.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Charitable Company's financial statements:

Fund accounting

Unrestricted funds are those funds which may be used towards meeting the objectives of the Charitable Company at the discretion of the Governors.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The cost of raising and administering such funds are charges against the specific fund. The aim and use of restricted funds is set out in the notes to the financial statements.

Restricted fixed asset funds are funds raised for the purpose of specific capital projects.

Incoming resources

Incoming resources are included in the Statement of Financial Activities ("SOFA") when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Other income includes sponsorship and is included when receivable by the Charitable Company.

Grant income and grants for premises and equipment are recognised in the Statement of Financial Activities in the period in which they are receivable.

Deferred income represents grant monies received for the provision of education which relate to the next financial year.

Notes (continued)

Resources expended

All outgoing resources are included in the SOFA on an accruals basis, inclusive of VAT.

Catering costs comprise the provision of a catering facility within the school.

Governance costs are those which relate to compliance with constitutional and statutory requirements of the Trust as well as costs associated with defining the strategic direction of the Trust.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charitable Company and include an appropriate apportionment of management overheads.

Tangible fixed assets

Tangible fixed assets acquired since the Charitable Company was established are included in the accounts at cost.

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 and are released over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

The de minimus limit for capitalisation of fixed assets is £500.

Depreciation

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal annual instalments over their useful lives as follows:

Buildings	-	50 years
Furniture and equipment	-	7 years
Computer equipment	-	4 years
Motor Vehicles	-	4 years

No depreciation is charged in the year of acquisition of an asset and a full year is charged in the year of disposal.

Notes (continued)

Taxation

The Charitable Company, as a registered charity, is not liable to taxation. The Charitable Company cannot recover value added tax and expenditure, where applicable, is therefore included gross of the related value added tax.

Pensions

The Charitable Company participates in two pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Charitable Company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Charitable Company.

Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

Interest receivable

Interest on deposit and other accounts is allocated to income in the year in which it is receivable.

Stock

Stock is stated at the lower of cost and net realisable value.

Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

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Notes (continued)

3 Income and expenditure account

	2008 £	2007 £
Income		
DCSF start up grant 48a	42,160	37,563
DCSF capital grant	-	14,157
DCSF annual per capita grant	5,158,161	4,313,216
Other grant	446,648	364,499
WMBC devolved capital grant	<u>24,560</u>	<u>25,532</u>
	5,671,529	4,754,967
 Sponsorship income	 156,000	 -
Bank interest receivable	61,889	41,874
Catering income	<u>304,756</u>	<u>290,098</u>
	<u>6,194,174</u>	<u>5,086,939</u>
 Expenditure		
Grant expenditure	(5,284,604)	(4,676,500)
Non-grant expenditure	(328,416)	(357,563)
Depreciation	<u>(529,299)</u>	<u>(760,646)</u>
	<u>(6,142,319)</u>	<u>(5,794,709)</u>
 Surplus/(deficit) for the financial year	 <u><u>51,855</u></u>	 <u><u>(707,770)</u></u>
 Transferred to funds		
Unrestricted funds	38,229	(15,680)
Restricted fixed asset funds	(103,816)	(704,579)
Restricted income funds	<u>117,442</u>	<u>12,489</u>
	<u><u>51,855</u></u>	<u><u>(707,770)</u></u>

Notes (continued)

4 General Annual Grant (GAG)	2008 £	2007 £
a. Results and carry forward for the year		
GAG brought forward from previous year	188,295	175,806
GAG allocation for current year	<u>5,235,757</u>	<u>4,334,888</u>
Total GAG available to spend	5,424,052	4,510,694
Recurrent expenditure from GAG	(4,873,392)	(4,266,332)
Fixed assets purchased from GAG	<u>(244,923)</u>	<u>(56,067)</u>
GAG carried forward to next year	305,737	188,295
 Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	 <u>628,291</u>	 <u>520,201</u>
GAG to surrender to DCSF (12% rule breached if result is positive)	<u>NIL</u>	<u>NIL</u>
 b. Use of GAG brought forward from previous year for recurrent purposes	 NIL	 NIL
 (of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
 Recurrent expenditure from GAG in current year GAG allocation for current year GAG allocation for previous year x 2%	 	
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	 <u>NIL</u>	 <u>NIL</u>

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Notes (continued)

5 Total resources expended

	Governance costs £	Provision of education £	2008 Catering costs £	Total £	2007 Total £
Staff costs (note 8)	23,037	4,106,194	163,068	4,292,299	3,728,288
Depreciation	-	529,299	-	529,299	760,646
Other costs (note 7)	<u>14,637</u>	<u>1,160,644</u>	<u>145,440</u>	<u>1,320,721</u>	<u>1,305,775</u>
	<u>37,674</u>	<u>5,796,137</u>	<u>308,508</u>	<u>6,142,319</u>	<u>5,794,709</u>

6 Analysis of total resources expended

	Direct costs £	Support costs £	2008 Total £	2007 Total £
Charitable activities				
Provision of education	5,049,690	746,447	5,796,137	5,435,608
Catering costs	308,508	-	308,508	292,652
Governance costs	14,637	23,037	37,674	41,449
Other resources expended	-	-	-	25,000
	<u>5,372,835</u>	<u>769,484</u>	<u>6,142,319</u>	<u>5,794,709</u>

Allocation of support costs

	Allocated to Governance £	Allocated to Charitable activities £	2008 Total £	2007 Total £
Type of cost				
Management and administration	23,037	652,039	675,076	581,030
Information, Communication and Technology	-	94,408	94,408	149,075
	<u>23,037</u>	<u>746,447</u>	<u>769,484</u>	<u>730,105</u>

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Notes (continued)

7 Other costs

Included within expenditure in the income and expenditure account and in other costs above are:

	2008 £	2007 £
Education and support	470,475	396,119
Occupancy costs	243,337	271,130
Maintenance costs	149,343	150,215
Supplies and services	66,017	140,560
Recruitment and advertising	57,541	85,872
Start up costs	29,732	37,563
Legal fees	7,692	9,185
Food costs	128,342	126,807
Other	<u>168,242</u>	<u>88,324</u>
	<u>1,320,721</u>	<u>1,305,775</u>

8 Staff number and costs

The average number of persons (excluding Governors), employed by the Academy during the year was:

	Number of employees (full time equivalent)	
	2008 No.	2007 No.
Administration and support	61	54
Teachers	<u>73</u>	<u>66</u>
	<u>134</u>	<u>120</u>

The aggregate payroll costs during the year amounted to

	£	£
Wages and salaries	3,626,143	3,148,497
Social security costs	273,984	240,754
Other pension costs	<u>392,172</u>	<u>339,037</u>
	<u>4,292,299</u>	<u>3,728,288</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £110,001 - £120,000 (2007: £90,001 - £100,000) not including retirement benefits which are accruing under a defined benefit scheme. No other staff members received emoluments greater than £60,000.

None of the Governors received any remuneration or any reimbursed expenses from the Charitable Company (2007 None).

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Notes (continued)

9 Surplus for the financial year

	2008 £	2007 £
Surplus for the financial year is stated after charging		
Depreciation	529,299	760,646
Auditors' remuneration		
For audit services	12,500	19,000
Operating lease costs	<u>12,920</u>	<u>11,966</u>

10 Governors' and officers' insurance

In accordance with normal practice the Charitable Company has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 (2007 £2,000,000) on any one claim and the cost for 2008 was £800 (2007 £850).

11 Tangible fixed assets

	Buildings £	Asset Under Construction £	Furniture And Equipment £	Computer Equipment £	Total £
Cost					
At 1 September 2007	15,326,461	-	1,217,437	1,181,209	17,725,107
Additions	<u>-</u>	<u>195,727</u>	<u>24,560</u>	<u>205,196</u>	<u>425,483</u>
At 31 August 2008	<u>15,326,461</u>	<u>195,727</u>	<u>1,241,997</u>	<u>1,386,405</u>	<u>18,150,590</u>
Depreciation					
At 1 September 2007	1,184,046	-	641,822	1,077,282	2,903,150
Charge for the year	<u>302,440</u>	<u>-</u>	<u>173,918</u>	<u>52,941</u>	<u>529,299</u>
At 31 August 2008	<u>1,486,486</u>	<u>-</u>	<u>815,740</u>	<u>1,130,223</u>	<u>3,432,449</u>
Net book value					
At 31 August 2008	<u>13,839,975</u>	<u>195,727</u>	<u>426,257</u>	<u>256,182</u>	<u>14,718,141</u>
At 31 August 2007	<u>14,142,415</u>	<u>-</u>	<u>575,615</u>	<u>103,927</u>	<u>14,821,957</u>
Source of funding for assets acquired					
Capital grants	13,582,734	39,727	811,276	672,534	15,106,271
Private sector	1,684,857	156,000	363,386	352,920	2,557,163
Annual Per Capita Grant capital expenditure	<u>58,870</u>	<u>-</u>	<u>67,335</u>	<u>360,951</u>	<u>487,156</u>
	<u>15,326,461</u>	<u>195,727</u>	<u>1,241,997</u>	<u>1,386,405</u>	<u>18,150,590</u>

The Annual Per Capita grant ("APG") capital expenditure is the proportion of APG funds used for acquiring items of a capital nature.

All fixed assets are used for direct charitable purposes and the provision of education.

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12 Stock

	2008 £	2007 £
Food stuffs for resale	<u>-</u>	<u>5,681</u>

13 Debtors

	2008 £	2007 £
Prepayments and accrued income	-	30,167
Other debtors	<u>24,351</u>	<u>61,867</u>
	<u>24,351</u>	<u>92,034</u>

14 Creditors: Amounts falling due within one year

	2008 £	2007 £
Trade creditors	62,794	67,902
Accruals	324,229	220,790
Deferred income (see note 15)	379,645	172,243
Other creditors	<u>153,116</u>	<u>212,479</u>
	<u>919,784</u>	<u>673,414</u>

15 Deferred income

	2008 £	2007 £
At 1 September 2007	172,243	154,297
Transfers to statements of financial activities	(172,243)	(154,297)
Deferred in year	<u>379,645</u>	<u>172,243</u>
At 31 August 2008	<u>379,645</u>	<u>172,243</u>

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16 Restricted funds

The income funds of the Charitable Company comprise the following balances of grants to be applied for specific purposes

	Balance At 31 August 2007 £	Incoming Resources £	Expenditure £	Transfers £	Balance At 31 August 2008 £
Government capital grant	12,704,836	-	(439,775)	244,923	12,509,984
APG capital expenditure	38,535	24,560	(61,070)	-	2,025
Private Sector capital sponsorship	<u>2,078,586</u>	<u>156,000</u>	<u>(28,454)</u>	<u>-</u>	<u>2,206,132</u>
Restricted fixed asset fund	<u>14,821,957</u>	<u>180,560</u>	<u>(529,299)</u>	<u>244,923</u>	<u>14,718,141</u>
DCSF grants	188,295	5,200,318	(4,837,953)	(244,923)	305,737
WMBC grants	-	438,648	(438,648)	-	-
West Midlands Consortium	<u>-</u>	<u>8,000</u>	<u>(8,000)</u>	<u>-</u>	<u>-</u>
Restricted income fund	<u>188,295</u>	<u>5,646,966</u>	<u>(5,284,601)</u>	<u>(244,923)</u>	<u>305,737</u>

The government capital funds are provided by the Government for specific capital projects.

The private sector capital sponsorship funds are those funds provided by the sponsors for specific capital projects.

The restricted income fund is subject to specific expenditure within the Charitable Company's declared objectives DSCF grants relate to Government funding for the provision of education by the Charitable Company. Funding is repayable if the Charitable Company does not meet all funding requirements.

Walsall Metropolitan Borough Council (WMBC) grants relate to local authority funding for the provision of education by the Charitable Company.

Transfers between funds relate to amounts expended on fixed assets from the DCSF grant which have been used for the acquisition of fixed assets during the year.

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17 Unrestricted funds

	Balance At 31 August 2007 £	Incoming Resources £	Expenditure £	Balance At 31 August 2008 £
Unrestricted general fund	<u>63,360</u>	<u>366,645</u>	<u>(328,416)</u>	<u>101,589</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Fixed Asset Fund £	Restricted Income Fund £	Total £
Tangible fixed assets	-	14,718,141	-	14,718,141
Current assets	101,589	-	1,225,521	1,327,110
Current liabilities	-	-	(919,784)	(919,784)
	<u>101,589</u>	<u>14,718,141</u>	<u>305,737</u>	<u>15,125,467</u>

19 Capital commitments

	2008 £	2007 £
Contracts placed	<u>171,750</u>	<u>-</u>

The above contracts were commitments at the end of the financial year, for which no provisions have been made.

20 Analysis of net funds

	At 31 August 2007 £	Cash flow £	At 31 August 2008 £
Cash at bank and in hand	<u>827,354</u>	<u>475,305</u>	<u>1,302,659</u>

Notes (continued)

21 Lease commitments

The Charitable Company has the following annual commitments under non-cancellable operating leases other than land and buildings which expire as follows:-

	2008 £	2007 £
In two to five years	<u>12,920</u>	<u>12,920</u>

22 Related parties

Mr CH Parker was, during the year, Clerk to The Mercers' Company which gave donations totalling £156,000 (2007: £Nil) to the Charitable Company in the year. Furthermore, the land upon which the Academy is based is owned by The Mercers' Company. No rent was paid in the year (2007: £Nil).

23 Pension Scheme

The Charitable Company is a member of two pension schemes.

Teachers Pension Scheme (TPS)

The Charitable Company participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the Charitable Company.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations); a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £331,393 (2007: £284,409).

Notes (continued)

23 Pension Scheme (continued)

Local Government Pension Scheme ("LGPS")

The support staff are members of the LGPS providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Charitable Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The scheme was formally valued as at 31 March 2007 and was updated by the actuary on an FRS17 basis as at 31 August 2008.

The contribution for the year was £60,779 (2007: £54,628).

The Governors conclude that the FRS 17 surplus/deficit for 2008 and 2007 is not material. Therefore, they have not incorporated the figures into the financial statements.

Were the amounts recognised in the balance sheet they would be as follows:

	2008	2007
	£000	£000
Present value of funded obligations	1,290	1,027
Fair value of plan assets	1,197	1,048
	<u>(93)</u>	<u>21</u>
Amounts recognised as:		
Liabilities	(93)	21
Assets	<u>-</u>	<u>-</u>
Net amount recognised	<u>(93)</u>	<u>21</u>

The amounts included within the Statement of Financial Activities would be as follows:

	2008	2007
	£000	£000
Current service cost	102	95
Interest cost	62	47
Expected return on plan assets	(76)	(59)
Past service costs	21	-
Total pension cost recognised in the SOFA	<u>109</u>	<u>83</u>
Actual return on plan assets	102	102

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23 Pension Scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2008 £000	2007 £000
Opening defined benefit obligation	1,027	867
Current service cost	102	95
Interest cost	62	47
Member contributions	39	36
Past service cost	21	-
Actuarial (gains)/ losses on liabilities	89	(14)
Benefits paid	<u>(50)</u>	<u>(4)</u>
Benefit obligation at end of year	<u>1,290</u>	<u>1,027</u>

Changes in the fair value of the scheme assets are as follows:

	2008 £000	2007 £000
Opening fair value of scheme assets	1,048	860
Expected return on scheme assets	76	59
Actuarial gains/ (losses)	26	43
Employer contributions	58	54
Member contributions	39	36
Benefits paid	<u>(50)</u>	<u>(4)</u>
Fair value of scheme assets at end of year	<u>1,197</u>	<u>1,048</u>

Notes (continued)

23 Pension Scheme (continued)

The weighted- average asset allocation at the year end was as follows:

<u>Asset category</u>	Expected rate of return	Plan assets at 31/08/2008 £000	Expected rate of return	Plan assets at 31/08/2007 £000
Equities	7.50%	845	7.50%	800
Government bonds	4.60%	123	4.80%	88
Other bonds	5.65%	69	5.80%	47
Property	6.50%	105	6.50%	86
Other	5.00%	55	5.75%	27
	<u>6.89%</u>	<u>1,197</u>	<u>7.07%</u>	<u>1,048</u>

To develop the expected long term rate of return on assets assumption, the employer considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for the future returns of each asset class. The expected return for each asset class was then weighted based on the asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. This resulted in the selection of the above assumptions.

Weighted average assumptions used to determine benefit obligations at

	2008	2007
Discount rate	6.20%	5.80%
Rate of compensation increase	4.70%	4.30%
Rate of pension increase	3.70%	3.30%

Weighted average assumptions used to determine net pension cost for year ended

	2008	2007
Discount rate	5.80%	5.10%
Expected long term return on plan assets	7.07%	6.55%
Rate of compensation increase	4.30%	4.00%
Rate of pension increase	3.30%	2.90%

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23 Pension Scheme (continued)

Five year history

	Financial year ending in				
	2008	2007	2006	2005	2004
	£000	£000	£000	£000	£000
Benefit obligation at end of year	1,290	1,027	867	756	79
Fair value of plan assets at end of year	1,197	1,048	860	681	74
Surplus/ (deficit)	(93)	21	(7)	(75)	(5)
Difference between expected and actual return on scheme assets					
Amount (£000)	26	43	41	22	-
Percentage of scheme assets	2.0%	4.1%	4.8%	3.2%	0.0%
Experience gains and losses on scheme liabilities					
Amount (£000)	(26)	-	(41)	19	-
Percentage of scheme liabilities	-1.7%	0.0%	-4.7%	2.5%	0.0%
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(63)	57	61	(62)	-
Percentage of scheme liabilities	-4.9%	5.6%	7.0%	-8.2%	0.0%

Contributions

The employer expects to contribute £61,000 in the year to 31 August 2009.