

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 2009

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Walsall City Academy Trust  
- a company limited by guarantee  
Governors' report and financial statements  
for the year ended 31 August 2009

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for the year ended 31 August 2009

## **Governors' report**

The Governors, who are also directors and trustees of the Charitable Company for the purposes of the Companies Act and the Charities Act, present their report and the audited financial statements of the Charitable Company for the year ended 31<sup>st</sup> August 2009. 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)  
JH Birkett  
J Bowater  
Mrs T Cox (Co-opted Governor appointed 2 July 2009)  
R Harrison OBE  
JD Hedges  
FKJ Jackson  
Mrs N Kelly (Co-opted Governor Resigned 10 January 2009)  
Mrs N Latham (Co-opted Governor appointed 2 July 2009)  
Mrs G Ruoss (Sponsor Governor appointed 2 July 2009)  
GJ Smith (Co-opted Governor)  
M St John Parker (Co-opted Governor)  
JA Watney (Resigned 2 July 2009)  
C H Whittington

Sir Michael Wakeford, CH Whittington, JD Hedges, Mrs G Ruoss and JA Watney until his resignation 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.

## **Senior staff members**

Mrs Jean Hickman retired on 31<sup>st</sup> August 2009 after seven distinguished years of service as the Academy's Founding Head.

Miss Vivienne Evans (Senior Deputy Head of Thomas Telford School) was appointed as Head with effect from 1<sup>st</sup> September 2009.

## **Advisors**

The main advisors to the Governors are:  
Auditors

Horwath Clark Whitehill LLP  
Foley House  
123 Stourport Road  
Kidderminster, Worcs. DY11 7BW

**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.) It was incorporated on 12 July 2001 and is constituted and governed by its Memorandum and Articles of Association. The registered and principal 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 (F& P) 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. The F & P committee also conduct detailed monitoring and review of the Health & Safety Policy and Organisation.

### **Governors' report (continued)**

During the year, membership of the Committee comprised: FKJ Jackson (Chairman), Sir Michael Wakeford (ex officio) CH Whittington and GJ Smith. Student Discipline, Staff Discipline and Appeals Committees are appointed as required. The Governing Board also appoints a Responsible Officer (RO) this function has been fully delivered in line with the requirements of the Financial Handbook.

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 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 six 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 6th 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'. In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commissions general guidance on public benefit.

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

### **Governors' report (continued)**

- Provide a strategy for raising achievement across the three phases of the school in all areas of experience
- 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 for years 7, 8, 9, 10 & 11 is full. The sixth form is well populated with students continuing their studies post 16 and joined by some students from other local schools.

The outcomes of the 2009 examinations for year 11 saw 79.6% of students achieving 5 A\* to C, which is above the local average (59.4% in 2008) and England average (65.3% in 2008) and 63.0% of students achieving 5 A\* to C including English and Mathematics which is also above the local average (40.6% in 2008) and England average (47.6% in 2008.) All students achieved at least one qualification at GCSE A\* to G or equivalent, and 99.4% achieved 5 qualifications at GCSE A\* to G or equivalent.

The 2009 AGCE and Applied GCE results saw students achieving a pass rate of 87.4%.

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 Sports Hall refurbishment project is now completed. The facilities and the space available to both the PE and Performing Arts departments has enhanced curriculum delivery in these areas.

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 the 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 2009 the total expenditure was £6,833,706. The deficit of income over expenditure was £71,233 which includes depreciation of £612,851.

At 31<sup>st</sup> August 2009 the net book value of fixed assets was £14,637,834 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 continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and the nature of reserves. The Governors have determined that the level of reserves, which are not invested in fixed assets at the year end are adequate for its immediate needs.

It is the Board's general policy to continue to build reserves which can be used for future educational purposes.

At the year end free reserves totalled £125,383 before the impact of the FRS17 liability is taken into consideration.

### **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 Trust's 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 25 November 2009 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Michael Wakeford', written in a cursive style.

**Sir Michael Wakeford OBE**  
**Chairman of the Board of Governors**



**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 2006. 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 31<sup>st</sup> August 2009 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 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 act as trustees for the Charitable activities of Walsall City Academy Trust and are also the directors of the company 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are properly prepared in accordance with the Companies Act 2006. 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.

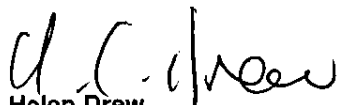
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31<sup>st</sup> August 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- 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;
- Proper accounting records have been kept by the charitable company throughout the 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.



Helen Drew  
Senior Statutory Auditor  
For and on behalf of  
Horwath Clark Whitehill LLP  
Chartered Accountants & Statutory Auditors  
Foley House  
123 Stourport Road  
Kidderminster  
Worcestershire  
DY11 7BW

25 November 2009

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**Statement of Financial Activities  
for the year ended 31 August 2009**

	Note	General Fund £	Restricted Fixed asset Fund £	Restricted Income Fund £	Total 2009 £	Total 2008 £
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds:</b>						
Sponsors donation	3	-	136,000	-	136,000	156,000
Investment income	3	19,064	-	-	19,064	61,889
<b>Incoming resources from charitable activities</b>						
Funding for educational operations	3	-	194,044	6,077,842	6,271,886	5,671,529
Catering income	3	<u>335,523</u>	<u>-</u>	<u>-</u>	<u>335,523</u>	<u>304,756</u>
<b>Total incoming resources</b>		<u>354,587</u>	<u>330,044</u>	<u>6,077,842</u>	<u>6,762,473</u>	<u>6,194,174</u>
<b>Resources expended</b>						
<b>Charitable activities</b>						
Provision of education	5/6	78,000	612,851	5,770,768	6,461,619	5,796,137
Catering costs	5/6	330,793	-	-	330,793	308,508
Governance costs	5/6	<u>-</u>	<u>-</u>	<u>41,294</u>	<u>41,294</u>	<u>37,674</u>
<b>Total resources expended</b>	5/6	<u>408,793</u>	<u>612,851</u>	<u>5,812,062</u>	<u>6,833,706</u>	<u>6,142,319</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(54,206)	(282,807)	265,780	(71,233)	51,855
<b>Transfers</b>						
Gross transfers between funds	15	<u>-</u>	<u>202,500</u>	<u>(202,500)</u>	<u>-</u>	<u>-</u>
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		(54,206)	(80,307)	63,280	(71,233)	51,855
Actuarial losses on defined benefit pension schemes		<u>(381,000)</u>	<u>-</u>	<u>-</u>	<u>(381,000)</u>	<u>-</u>
<b>Net movement in funds</b>		(435,206)	(80,307)	63,280	(452,233)	51,855
<b>Reconciliation of funds</b>						
Total funds brought forward	15/16	<u>101,589</u>	<u>14,718,141</u>	<u>305,737</u>	<u>15,125,467</u>	<u>15,073,612</u>
<b>Total funds carried forward</b>	15/16	<u>(333,617)</u>	<u>14,637,834</u>	<u>369,017</u>	<u>14,673,234</u>	<u>15,125,467</u>

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the Academy during the year and reconciles the movements in funds. The overall financial position at the year end is summarised in the balance sheet on page 11. The income and expenditure account required to be included by the DCSF is on page 16.

All items dealt with in arriving at the net incoming resources for the financial periods for 2009 and 2008 relate to continuing operations.

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Company number: 4251277

**Balance sheet  
at 31 August 2009**

	Note	2009	2008
		£	£
<b>Fixed assets</b>			
Tangible fixed assets	11	14,637,834	14,718,141
<b>Current assets</b>			
Debtors	12	28,274	24,351
Cash at bank and in hand		<u>1,150,526</u>	<u>1,302,759</u>
		1,178,800	1,327,110
<b>Creditors: Amounts falling due within one year</b>	13	<u>(684,400)</u>	<u>(919,784)</u>
<b>Net current assets</b>		<u>494,400</u>	<u>407,326</u>
<b>Net assets excluding pension liability</b>		15,132,234	15,125,467
Pension scheme liability	22	<u>459,000</u>	<u>-</u>
<b>Net assets including pension liability</b>		<u>14,673,234</u>	<u>15,125,467</u>
<b>Funds:</b>			
<b>Unrestricted funds:</b>			
General fund	16	(333,617)	101,589
<b>Restricted funds:</b>			
Restricted fixed asset fund	15	14,637,834	14,718,141
Restricted income fund	15	<u>369,017</u>	<u>305,737</u>
		<u>14,673,234</u>	<u>15,125,467</u>

The financial statements were approved by the Governors on 25 November 2009 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 2009**

	Note	2009 £	2008 £
<b>Operating activities</b>			
DCSF per capita grant		5,676,305	5,200,318
Other receipts		931,104	774,964
DCSF per capita payments		(5,645,092)	(4,536,298)
Other payments		(736,970)	(750,404)
Movement in stock		<u>-</u>	<u>(5,681)</u>
<b>Net cash flow from operating activities</b>		<b>225,347</b>	<b>682,899</b>
<b>Return on investments and servicing of finance</b>			
Interest received		19,064	61,889
<b>Capital expenditure</b>			
Sponsor donation		136,000	156,000
Purchase of fixed assets		<u>(532,544)</u>	<u>(425,483)</u>
		<u>(396,544)</u>	<u>(269,483)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>	19	<u><b>(152,133)</b></u>	<u><b>475,305</b></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>For the year ended 31 August 2009</b>		<b>2009 £</b>	<b>2008 £</b>
Increase/(decrease) in cash in the year		(152,133)	475,305
Net funds at beginning of year		<u>1,302,659</u>	<u>827,354</u>
<b>Net funds at end of year</b>		<u><b>1,150,526</b></u>	<u><b>1,302,659</b></u>

## **Notes to the financial statements**

### **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 2006 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 charged 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 to the financial statements (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

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



**Notes to the financial statements (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. More details of the schemes are given in note 22.

***Teachers' Pension Scheme***

Teaching staff employed under a contract of service are eligible to contribute to the Teachers' pension Scheme (TPS). As the Charitable Company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it 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 pension costs for the scheme represent the contributions payable by the Charitable Company in the year.

***Local Government Pension Scheme***

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit scheme and is able to identify the Charitable Company's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

***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.

***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 to the financial statements (continued)**

**3 Income and expenditure account**

	2009 £	2008 £
<b>Income</b>		
DCSF start up grant 48a	-	42,160
DCSF annual per capita grant	5,676,305	5,158,161
Other grant	401,537	446,648
WMBC devolved capital grant	<u>194,044</u>	<u>24,560</u>
	6,271,886	5,671,529
 Sponsorship income	 136,000	 156,000
Bank interest receivable	19,064	61,889
Catering income	<u>335,523</u>	<u>304,756</u>
	6,762,473	6,194,174
 <b>Expenditure</b>		
Grant expenditure	(5,812,062)	(5,284,604)
Non-grant expenditure	(408,793)	(328,416)
Depreciation	<u>(612,851)</u>	<u>(529,299)</u>
	(6,833,706)	(6,142,319)
 <b>(Deficit)/surplus for the financial year</b>	 <u>(71,233)</u>	 <u>51,855</u>
 <b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
(Deficit)/surplus for the financial year	(71,233)	51,855
Actuarial loss on defined benefit schemes	<u>(381,000)</u>	<u>-</u>
 Total recognised (loss)/gain for the year	 <u>(452,233)</u>	 <u>51,855</u>
 Transferred to funds		
Unrestricted funds	(435,206)	38,229
Restricted fixed asset funds	(80,307)	(103,816)
Restricted income funds	<u>63,280</u>	<u>117,442</u>
	(452,233)	51,855

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**Notes to the financial statements (continued)**

<b>4 General Annual Grant (GAG)</b>	<b>2009 £</b>	<b>2008 £</b>
<b>a. Results and carry forward for the year</b>		
GAG brought forward from previous year	305,737	188,295
GAG allocation for current year	<u>5,956,435</u>	<u>5,235,757</u>
<b>Total GAG available to spend</b>	<b>6,262,172</b>	<b>5,424,052</b>
Recurrent expenditure from GAG	(5,690,655)	(4,873,392)
Fixed assets purchased from GAG	<u>(202,500)</u>	<u>(244,923)</u>
<b>GAG carried forward to next year</b>	<b>369,017</b>	<b>305,737</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>681,157</u>	<u>628,291</u>
<b>GAG to surrender to DCSF</b> (12% rule breached if result is positive)	<u><u>NIL</u></u>	<u><u>NIL</u></u>
<b>b. Use of GAG brought forward from previous year for recurrent purposes</b>	<b>NIL</b>	<b>NIL</b>
(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%		
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<u><u>NIL</u></u>	<u><u>NIL</u></u>
(2% rule breached if result is positive)		

**Notes to the financial statements (continued)**

**5 Total resources expended**

	<b>Governance costs</b>	<b>Provision of education</b>	<b>Catering costs</b>	<b>2009 Total</b>	<b>2008 Total</b>
	£	£	£	£	£
Staff costs (note 8)	24,708	4,574,296	164,351	4,763,355	4,292,299
Depreciation	-	612,851	-	612,851	529,299
Other costs (note 7)	<u>16,586</u>	<u>1,274,472</u>	<u>166,442</u>	<u>1,457,500</u>	<u>1,320,721</u>
	<u>41,294</u>	<u>6,461,619</u>	<u>330,793</u>	<u>6,833,706</u>	<u>6,142,319</u>

**6 Analysis of total resources expended**

	<b>Direct costs</b>	<b>Support costs</b>	<b>2009 Total</b>	<b>2008 Total</b>
	£	£	£	£
<b>Charitable activities</b>				
Provision of education	5,597,579	864,040	6,461,619	5,796,137
Catering costs	330,793	-	330,793	308,508
<b>Governance costs</b>	<u>16,586</u>	<u>24,708</u>	<u>41,294</u>	<u>37,674</u>
	<u>5,944,958</u>	<u>888,748</u>	<u>6,833,706</u>	<u>6,142,319</u>

**Allocation of support costs**

	<b>Allocated to Governance</b>	<b>Allocated to Charitable activities</b>	<b>2009 Total</b>	<b>2008 Total</b>
	£	£	£	£
<b>Type of cost</b>				
Management and administration	24,708	766,788	791,496	675,076
Information, Communication and Technology	-	97,252	97,252	94,408
	<u>24,708</u>	<u>864,040</u>	<u>888,748</u>	<u>769,484</u>

	<b>2009</b>	<b>2008</b>
	£	£
<b>Analysis of governance costs</b>		
Professional costs	16,586	14,637
Staff costs	<u>24,708</u>	<u>23,037</u>
	<u>41,294</u>	<u>37,674</u>

**Notes to the financial statements (continued)**

**7 Other costs**

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

	2009	2008
	£	£
Education and support	488,499	470,475
Occupancy costs	316,873	243,337
Maintenance costs	196,422	149,343
Supplies and services	73,882	66,017
Recruitment and advertising	63,775	57,541
Start up costs	-	29,732
Legal fees	2,976	7,692
Food costs	146,432	128,342
Other	<u>168,641</u>	<u>168,242</u>
	<u>1,457,500</u>	<u>1,320,721</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)	
	2009	2008
	No.	No.
Administration and support	59	61
Teachers	<u>84</u>	<u>73</u>
	<u>143</u>	<u>134</u>

The aggregate payroll costs during the year amounted to

	£	£
Wages and salaries	3,920,645	3,626,143
Social security costs	310,794	273,984
Other pension costs	<u>531,916</u>	<u>392,172</u>
	<u>4,763,355</u>	<u>4,292,299</u>

The emoluments of one member of staff, including benefits in kind, are within the range of £120,001 - £130,000 (2008: £110,001 - £120,000) 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 (2008 None).

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**9 Deficit for the financial year**

	2009 £	2008 £
<b>Deficit for the financial year is stated after charging</b>		
Depreciation	612,851	529,299
Auditors' remuneration		
For audit services	12,500	12,500
Operating lease costs	<u>12,920</u>	<u>12,920</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 (2008 £2,000,000) on any one claim and the cost for 2009 was £800 (2008 £800).

**11 Tangible fixed assets**

	Long Leasehold Land And Buildings £	Asset Under Construction £	Furniture And Equipment £	Computer Equipment £	Total £
<b>Cost</b>					
At 1 September 2008	15,326,461	195,727	1,241,997	1,386,405	18,150,590
Reclassification	195,727	(195,727)	-	-	-
Additions	<u>252,927</u>	<u>-</u>	<u>113,004</u>	<u>166,613</u>	<u>532,544</u>
At 31 August 2009	<u>15,775,115</u>	<u>-</u>	<u>1,355,001</u>	<u>1,553,018</u>	<u>18,683,134</u>
<b>Depreciation</b>					
At 1 September 2008	1,486,486	-	815,740	1,130,223	3,432,449
Charge for the year	<u>306,355</u>	<u>-</u>	<u>177,428</u>	<u>129,068</u>	<u>612,851</u>
At 31 August 2009	<u>1,792,841</u>	<u>-</u>	<u>993,168</u>	<u>1,259,291</u>	<u>4,045,300</u>
<b>Net book value</b>					
At 31 August 2009	<u>13,982,274</u>	<u>-</u>	<u>361,833</u>	<u>293,727</u>	<u>14,637,834</u>
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>
<b>Source of funding for assets acquired</b>					
Capital grants	13,739,398	-	888,383	672,534	15,300,315
Private sector	1,976,857	-	363,386	352,920	2,693,163
Annual Per Capita Grant capital expenditure	<u>58,860</u>	<u>-</u>	<u>103,232</u>	<u>527,564</u>	<u>689,656</u>
	<u>15,775,115</u>	<u>-</u>	<u>1,355,001</u>	<u>1,553,018</u>	<u>18,683,134</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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**Notes to the financial statements (continued)**

**12 Debtors**

	2009 £	2008 £
Prepayments and accrued income	23,408	-
Other debtors	<u>4,866</u>	<u>24,351</u>
	<u>28,274</u>	<u>24,351</u>

**13 Creditors: Amounts falling due within one year**

	2009 £	2008 £
Trade creditors	168,911	62,794
Social Security and other taxes	208,869	137,632
Accruals	135,263	324,229
Deferred income (see note 14)	141,958	379,645
Other creditors	<u>29,399</u>	<u>15,484</u>
	<u>684,400</u>	<u>919,784</u>

**14 Deferred income**

	2009 £	2008 £
At 1 September 2008	379,645	172,243
Transfers to statements of financial activities	(379,645)	(172,243)
Deferred in year	<u>141,958</u>	<u>379,645</u>
At 31 August 2009	<u>141,958</u>	<u>379,645</u>

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**Notes to the financial statements (continued)**

**15 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 2008 £	Incoming Resources £	Expenditure £	Transfers £	Balance At 31 August 2009 £
Government capital grant	12,509,984	-	(439,584)	202,500	12,272,900
APG capital expenditure	2,025	194,044	(154,687)	-	41,382
Private Sector capital sponsorship	<u>2,206,132</u>	<u>136,000</u>	<u>(18,580)</u>	<u>-</u>	<u>2,323,552</u>
<b>Restricted fixed asset fund</b>	<u>14,718,141</u>	<u>330,044</u>	<u>(612,851)</u>	<u>202,500</u>	<u>14,637,834</u>
DCSF grants	305,737	5,956,435	(5,690,655)	(202,500)	369,017
WMBC grants	-	103,107	(103,107)	-	-
West Midlands Consortium	<u>-</u>	<u>18,300</u>	<u>(18,300)</u>	<u>-</u>	<u>-</u>
<b>Restricted income fund</b>	<u>305,737</u>	<u>6,077,842</u>	<u>(5,812,062)</u>	<u>(202,500)</u>	<u>369,017</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. DCSF 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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**Notes to the financial statements (continued)**

**16 Unrestricted funds**

	Balance At 31 August 2008	Incoming Resources	Expenditure	Other gains/ (losses)	Balance At 31 August 2009
	£	£	£	£	£
Unrestricted general fund	<u>101,589</u>	<u>354,587</u>	<u>(408,793)</u>	<u>(381,000)</u>	<u>(333,617)</u>

**17 Analysis of net assets between funds**

	Unrestricted Funds	Restricted Fixed Asset Fund	Restricted Income Fund	Total
	£	£	£	£
Tangible fixed assets	-	14,637,834	-	<b>14,637,834</b>
Current assets	125,383	-	1,053,417	<b>1,178,800</b>
Current liabilities	-	-	(684,400)	<b>(684,400)</b>
Pension scheme liability	<u>(459,000)</u>	-	-	<u>(459,000)</u>
	<u>(333,617)</u>	<u>14,637,834</u>	<u>369,017</u>	<u><b>14,673,234</b></u>

The LGPS pension scheme liability has been recognised against unrestricted funds in line with the requirements of the Academies Financial Handbook. As a result unrestricted funds are showing a negative position. In reality the contributions to the LGPS are funded from the restricted income grant from the DCSF and are shown in the SOFA in the restricted income fund. As a result there are no specific limitations placed on the restricted funds that limit their ability to contribute towards the LGPS funding.

**18 Capital commitments**

	2009 £	2008 £
Contracts placed	<u><b>17,844</b></u>	<u><b>171,750</b></u>

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

**19 Analysis of net funds**

	At 31 August 2008 £	Cash flow £	At 31 August 2009 £
Cash at bank and in hand	<u><b>1,302,659</b></u>	<u><b>(152,133)</b></u>	<u><b>1,150,526</b></u>

## Notes to the financial statements *(continued)*

### 20 Lease commitments

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

	2009 £	2008 £
In two to five years	<u>12,920</u>	<u>12,920</u>

### 21 Related parties

The Mercers' Company gave donations totalling £136,000 (2008: £156,000) 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 (2008: £Nil).

### 22 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 the 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 valuation of the Scheme by the Government Actuary as at 31 March 2008 is expected to be issued in early 2010.

The pension charge for the year includes contributions payable to the scheme of £368,029 (2008: £331,393).

**Notes to the financial statements (continued)**

**22 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 2009.

The contribution for the year was £69,886 (2008: £60,779).

The Governors concluded that the FRS 17 deficit for 2008 was not material. Therefore, they had not incorporated the figures into the financial statements and these comparatives are shown for memo purposes only.

The amounts recognised in the balance sheet for 2009 are as follows:

	2009 £000	2008 £000
Present value of funded obligations	1,680	1,290
Fair value of plan assets	<u>1,221</u>	<u>1,197</u>
	<u>(459)</u>	<u>(93)</u>
Amounts recognised as:		
Liabilities	(459)	(93)
Assets	-	-
<b>Net amount recognised</b>	<u>(459)</u>	<u>(93)</u>

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

	2009 £000	2008 £000
Current service cost	120	102
Interest cost	85	62
Expected return on plan assets	(87)	(76)
Past service costs	-	21
Effect of prior years	<u>30</u>	<u>-</u>
<b>Total pension cost charged within net incoming/(outgoing) resources</b>	<b>148</b>	<b>109</b>
Actuarial losses	<u>381</u>	<u>-</u>
<b>Total amount charged to SOFA</b>	<u><b>529</b></u>	<u><b>109</b></u>

The cumulative amount of actuarial losses recognised is £381,000.

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**Notes to the financial statements (continued)**

**22 Pension Scheme (continued)**

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

	2009 £000	2008 £000
Opening defined benefit obligation	1,290	1,027
Current service cost	120	102
Interest cost	85	62
Member contributions	45	39
Past service cost	-	21
Actuarial losses on liabilities	137	89
Benefits paid	<u>3</u>	<u>(50)</u>
<b>Benefit obligation at end of year</b>	<b><u>1,680</u></b>	<b><u>1,290</u></b>

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

	2009 £000	2008 £000
Opening fair value of scheme assets	1,197	1,048
Expected return on scheme assets	87	76
Actuarial gains/ (losses)	(181)	26
Employer contributions	70	58
Member contributions	45	39
Benefits paid	<u>3</u>	<u>(50)</u>
<b>Fair value of scheme assets at end of year</b>	<b><u>1,221</u></b>	<b><u>1,197</u></b>

**Notes to the financial statements (continued)**

**22 Pension Scheme (continued)**

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

<u>Asset category</u>	<b>Expected rate of return</b>	<b>Plan assets at 31/08/2009 £000</b>	<b>Expected rate of return</b>	<b>Plan assets at 31/08/2008 £000</b>
Equities	<b>7.50%</b>	<b>825</b>	7.50%	845
Government bonds	<b>4.00%</b>	<b>155</b>	4.60%	123
Other bonds	<b>5.15%</b>	<b>93</b>	5.65%	69
Property	<b>6.50%</b>	<b>112</b>	6.50%	105
Other	<b>0.50%</b>	<b>36</b>	5.00%	55
	<b><u>6.58%</u></b>	<b><u>1,221</u></b>	<b><u>6.89%</u></b>	<b><u>1,197</u></b>

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.

	<b>2009 £000</b>	<b>2008 £000</b>
The actual return on the scheme assets in the year	<b>(94)</b>	102

Weighted average assumptions used to determine benefit obligations at

	<b>2009</b>	<b>2008</b>
Discount rate	<b>5.65%</b>	6.20%
Rate of compensation increase	<b>4.55%</b>	4.70%
Rate of pension increase	<b>3.55%</b>	3.70%
Inflation assumption	<b>3.55%</b>	3.70%

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

	<b>2009</b>	<b>2008</b>
Discount rate	<b>6.20%</b>	5.80%
Expected long term return on plan assets	<b>6.89%</b>	7.07%
Rate of compensation increase	<b>4.70%</b>	4.30%
Rate of pension increase	<b>3.70%</b>	3.30%
Inflation assumption	<b>3.70%</b>	3.30%
Assumed life expectations on retirement age 65		
Retiring today – males	<b>21.2</b>	21.1
Retiring today – females	<b>24.0</b>	24.0
Retiring in 20 years – males	<b>22.2</b>	22.2
Retiring in 20 years – females	<b>25.0</b>	25.0

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**Notes to the financial statements (continued)**

**22 Pension Scheme (continued)**

Five year history

	Financial year ending in				
	2009	2008	2007	2006	2005
	£000	£000	£000	£000	£000
Benefit obligation at end of year	1,680	1,290	1,027	867	756
Fair value of plan assets at end of year	1,221	1,197	1,048	860	681
Surplus/ (deficit)	<u>(459)</u>	<u>(93)</u>	<u>21</u>	<u>(7)</u>	<u>(75)</u>
Difference between expected and actual return on scheme assets					
Amount (£000)	(181)	26	43	41	22
Percentage of scheme assets	-14.8%	2.0%	4.1%	4.8%	3.2%
Experience gains and losses on scheme liabilities					
Amount (£000)	-	(26)	-	(41)	19
Percentage of scheme liabilities	0.0%	-1.7%	0.0%	-4.7%	2.5%
Total amount recognised in statement of total recognised gains and losses					
Amount (£000)	(318)	(63)	57	61	(62)
Percentage of scheme liabilities	-18.9%	-4.9%	5.6%	7.0%	-8.2%

**Contributions**

The employer expects to contribute £74,000 in the year to 31 August 2010.