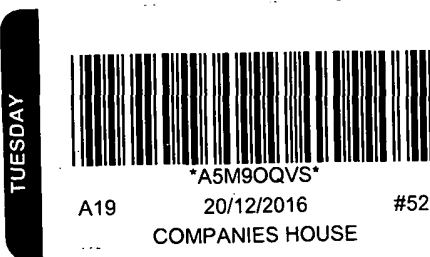


Registered number: 4251277 (England and Wales)

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

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WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

The Mercers' Company
Telford City Technology College Trust Limited
Sir K Satchwell
Mr C H Whittington

Governors

Mr C H Whittington, Chairman
Mrs N L Latham, Co-opted Governor
Mrs G L Ruoss
Mr M St John Parker, Co-opted Governor
Mrs T M Littlefield
Mrs S C Percox
Mr T D Watney
Mr S P Murray
Mr S B Roberts
Mrs M B Frost (appointed 17 November 2015)

Company registered number

4251277

Company name

Walsall City Academy Trust

Principal and registered office

Lichfield Road
Bloxwich
Walsall
WS3 3LX

Company secretary

Mrs M Davies

Senior management team

Mr S L Rogers, Headteacher & Accounting Officer
Mr A M Bowater MBE, Director of Finance & Chief Financial Officer
Mr R J Taylor, Shadow Head
Mr J P Clarke, Senior Deputy Head
Mr P J Andrews, Director of ICT

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors

Macfarlanes (property)
20 Cursor Street
London
EC4A 3LT

Wragge Lawrence Graham & Co LLP (employment)
2 Snowhill
Birmingham
B4 6WR

Bankers

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their Annual Report together with the financial statements and Auditor's Report of the Charitable Company for the 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Charitable Company is limited by guarantee (registered number 4251277) and is an exempt charity. 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.

The Charitable Company is known as Walsall Academy.

Details of the Governors who served during the are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

GOVERNORS' INDEMNITIES

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,188 (2015 - £1,188).

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Academy has a Governing Board and an Audit, Finance and Premises Committee and the process and methodology for appointments is 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 Local Authority (LA), and individuals representing the interests of staff and parents of students at the Academy.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Chairman conducts a needs analysis of each newly appointed Governor and an induction programme to meet those needs is provided by the Academy. The training opportunities offered by The Mercers' Company are attended by representatives of the Governing Body.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

ORGANISATIONAL STRUCTURE

The Governors appoint an Audit, Finance and Premises (A,F&P) Committee annually. The written terms of reference of the committee include receiving and reviewing the annual Statutory Accounts as presented by the external auditors, 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 A,F&P committee also conducts detailed monitoring and review of the Health & Safety Policy and Organisation.

During the year, membership of the Committee comprised: Mrs G L Ruoss (Chair of A,F&P), Mr C H Whittington (ex officio), Mrs S C Percox and Mr S P Murray.

Student Discipline, Staff Discipline and Appeals Committees are appointed as required. The Governing Board also appoints an internal auditor and this function has been fully delivered in line with the requirements of the Financial Handbook.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Pay and remuneration of the Academy's key management personnel is based on performance management appraisals where key targets are set to achieve required outcomes these are reviewed on an annual basis. The Headteacher makes recommendations to the Chair of the Finance Committee with regards to pay and remuneration on an annual basis. Once agreed these are ratified by the Governing Board.

No Trustees, Members, Directors or Governors receive any remuneration from the Trust.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Mercers' Company and Thomas Telford School act as sponsors of Walsall City Academy Trust.

The land upon which the Academy is based is owned by The Mercers' Company. No rent is paid. During the year the Academy received a donation of £23,967 from The Mercers' Company (2015: £10,430). This donation has been deferred as the Academy Trust are not entitled to this income until the next academic year.

Thomas Telford School provide clerking services and H.R. services to Walsall City Academy Trust. Walsall City Academy Trust also receive grant income from Thomas Telford School in relation to teacher training services.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

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.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES, STRATEGIES AND ACTIVITIES

The period covered by these financial statements is the 13th 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;
- To provide a strategy for raising achievement across the three phases of the school in all areas of experience;
- To 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 by the SLT and findings presented to the Governing Board in November and March (this plan is available on request).

PUBLIC BENEFIT

In setting objectives and planning the Academy's activities, the Governing Body has paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES AND KEY PERFORMANCE INDICATORS

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 2016 examinations for Year 11 saw 71.0% of students achieving 5 A* to C in both English and Mathematics which is above the local average of 57.1% and the England average of 58.7%. 100% achieved 5 qualifications at GCSE A* to G or equivalent. The Academy's Progress 8 score was +0.16, which is the best non-selective school score in Walsall. The local average is -0.24. The Academy's Attainment 8 score was 54.7, compared to the national average of 48.2 and local average of 47.6.

The 2016 Sixth Form results saw students achieving a pass rate of 100% with 82.0% of Level 3 results were A* to C grades. Both Academic and Vocational qualifications had positive valued added.

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.

Recurrent expenditure for the year was covered by grants from the EFA and via the LA.

No expenditure has been incurred relating to future income generation.

GOING CONCERN

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FINANCIAL REVIEW

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Financial position of the Academy is detailed in the following pages. The carried forward surplus is below the maximum carry forward figure permitted and 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 Financial Handbook for Academies published by the EFA and requirements as laid down by The A,F&P Committee and the Governing Board.

During the year ended 31 August 2016 the total expenditure was £7,443,579. The deficit of income over expenditure was £343,046 which includes depreciation of £388,707.

At 31st August 2016 the net book value of fixed assets was £11,845,498 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing the education and associated support services to the pupils of the Academy.

WALSALL CITY ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

A deficit of £482,457 has arisen on the Restricted Income Fund. This is due to the in year deficit of £713,000 on the Local Government Pension Scheme (LGPS) which is allocated to this fund. This liability will not crystallise immediately.

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 free reserves, which are not invested in fixed assets at the year end, are adequate for its immediate needs inline with the funding agreement and the financial handbook.

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 £1,040,415.

The Governing Board operates a 'risk averse' investment policy using Deposit and Money Market Accounts with HSBC Bank PLC. The Governing Board ensures that the requirements of the Funding Agreement are met in the carry forward of 'General Annual Grant (GAG)' and also allocates funding to particular Capital Projects.

INVESTMENT POLICY AND PERFORMANCE

Surplus funds are invested with HSBC in a deposit account and on the Money Market. These investments are made in accordance with the powers vested in the Governing Body.

PRINCIPAL RISKS AND UNCERTAINTIES

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 A, F&P Committee and the Governing Board. In the first ten years no major issues or events have occurred.

RISK MANAGEMENT

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those that are identified as being higher risk.

The Governors consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Scheme ("LGPS"). In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

Future plans are documented in the School Development Plan – as set out on page 5.

AGENCY ARRANGEMENTS

The Academy trust acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

AUDITOR

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

This report, incorporating the Strategic report, was approved by order of the Governing Body as the company directors, on 15 November 2016 and signed on its behalf by:



Charles Whittington
Chair of the Board of Governors

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr C H Whittington, Chairman	2	3
Mrs N L Latham, Co-opted Governor	3	3
Mrs G L Ruoss	3	3
Mr M St John Parker, Co-opted Governor	2	3
Mrs T M Littlefield	3	3
Mrs S C Percox	2	3
Mr T D Watney	3	3
Mr S P Murray	2	3
Mr S B Roberts	3	3
Mrs M B Frost (appointed 17th November 2015)	1	2

Governance reviews:

Following a skills self assessment exercise and a governance framework review, Governors were generally satisfied that the overall level of governance exhibited by the Board was adequately strong, enabling Governors to execute their responsibilities effectively, and with no aspects presenting any cause for concern. Regularly auditing will, however, continue to ensure that this position does not change.

The Audit, Finance and General Purposes Committee is a sub committee of the main governing body. Its purpose is to review all finance issues, Health & Safety issues and any other issues delegated by the Governing Board.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs G L Ruoss	3	3
Mr S P Murray	3	3
Mrs S C Percox	3	3

WALSALL CITY ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available.

The Governors believe that the most effective demonstration of value for money is in the educational achievements of the School's students. This year's outcomes can be reviewed on page 6.

The staffing structure is constantly under review and recruitment of all staff is overseen by the Head. Staffing costs are under control through the deployment of trainee teachers, NQT's and promotion is based upon real need and performance management.

Students requiring additional Literacy Support have sessions with trained literacy specialists a policy which gives measurable and demonstrable improvements for students.

The Governing Board reviews and challenges the budget each year and is mindful of the need to balance expenditure against income to ensure that the Academy remains a 'going concern', when assessed by reference to strict accounting standards. The Governing Board reviews the Annual Accounts and the External Auditors' Audit Findings Management Report in detail each year.

The Governing Board also receives termly budget monitoring reports and investigates deviations from the plan.

The Academy takes a prudent approach to expenditure generally. As 73.9% of the School's income is expended on staffing, the staffing structure and composition is reviewed regularly by the governing board to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives agreed in the Academy's School Development Plan.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

WALSALL CITY ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr C. Marsh, an experienced qualified Accountant to perform a review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the period include:

- Review of Governing Board minutes;
- Consideration of the Academy's Management accounts;
- Review of forecast for full year to 31st August 2016;
- Overview of the annual return documentation for the Local Government Pension Scheme (LGPS);
- Review of systems for salary payments and recording of increased levels for new and existing staff;
- Testing of bank reconciliation system;
- Review of aged debtor and creditor balances;
- Review of purchase authorisation systems.

On a termly basis, the reviewer reports to the Governing Body, through the A,F&P Committee on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

WALSALL CITY ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

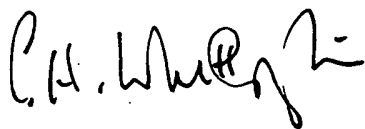
REVIEW OF EFFECTIVENESS

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the A,F&P Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 15 November 2016 and signed on their behalf, by:



Charles Whittington
Chair of Trustees



Simon Rogers
Accounting Officer

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Simon Rogers
Accounting Officer



Date: 15 November 2016

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

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

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

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

Approved by order of the members of the Governing Body on 15 November 2016 and signed on its behalf by:



Charles Whittington
Chairman of the Board of Governors

WALSALL CITY ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WALSALL CITY ACADEMY TRUST**

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WALSALL CITY ACADEMY TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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


Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 12-12-16

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WALSALL CITY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Walsall City Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF WALSALL CITY ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Walsall City Academy Trust's funding agreement with the Secretary of State for Education dated 20 October 2004, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WALSALL CITY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

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


Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 12-12-16

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

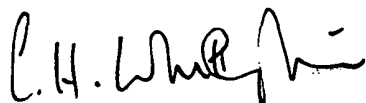
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	-	24,897	-	24,897	33,583
Charitable activities	4	685,996	6,384,995	-	7,070,991	7,133,244
Investments	5	4,645	-	-	4,645	4,573
TOTAL INCOME		690,641	6,409,892	-	7,100,533	7,171,400
EXPENDITURE ON:						
Charitable activities		685,185	6,369,687	388,707	7,443,579	7,465,053
TOTAL EXPENDITURE	6	685,185	6,369,687	388,707	7,443,579	7,465,053
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		5,456	40,205	(388,707)	(343,046)	(293,653)
Actuarial losses on defined benefit pension schemes	18	-	(713,000)	-	(713,000)	(41,000)
NET MOVEMENT IN FUNDS		5,456	(672,795)	(388,707)	(1,056,046)	(334,653)
RECONCILIATION OF FUNDS:						
Total funds brought forward		186,416	190,338	12,234,205	12,610,959	12,945,612
TOTAL FUNDS CARRIED FORWARD		191,872	(482,457)	11,845,498	11,554,913	12,610,959

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 4251277

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		11,845,498		12,234,205
CURRENT ASSETS					
Debtors	14	146,357		224,820	
Cash at bank and in hand		1,330,950		1,295,141	
		<u>1,477,307</u>		<u>1,519,961</u>	
CREDITORS: amounts falling due within one year	15	(436,892)		(606,207)	
NET CURRENT ASSETS			<u>1,040,415</u>		<u>913,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,885,913</u>		<u>13,147,959</u>
Defined benefit pension scheme liability	18		(1,331,000)		(537,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,554,913</u></u>		<u><u>12,610,959</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	848,543		727,338	
Restricted fixed asset funds	16	11,845,498		12,234,205	
Restricted funds excluding pension liability		<u>12,694,041</u>		<u>12,961,543</u>	
Pension reserve		<u>(1,331,000)</u>		<u>(537,000)</u>	
Total restricted funds			<u>11,363,041</u>		<u>12,424,543</u>
Unrestricted funds	16		<u>191,872</u>		<u>186,416</u>
TOTAL FUNDS			<u><u>11,554,913</u></u>		<u><u>12,610,959</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 15 November 2016 and are signed on their behalf, by:



Charles Whittington
Chairman of the Board of Governors

The notes on pages 22 to 40 form part of these financial statements.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>6,267</u>	<u>22,027</u>
Cash flows from investing activities:			
Bank interest		4,645	4,573
Capital grants from DfE/EFA		<u>24,897</u>	<u>23,153</u>
Net cash provided by investing activities		<u>29,542</u>	<u>27,726</u>
Change in cash and cash equivalents in the year		35,809	49,753
Cash and cash equivalents brought forward		<u>1,295,141</u>	<u>1,245,388</u>
Cash and cash equivalents carried forward	21	<u><u>1,330,950</u></u>	<u><u>1,295,141</u></u>

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Walsall City Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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

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

Long-term leasehold property	-	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.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.7 OPERATING LEASES

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

1.8 INTEREST RECEIVABLE

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

1.9 TAXATION

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.11 FUND ACCOUNTING

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

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

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.12 FINANCIAL INSTRUMENTS

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Stock, prepayments and deferred income do not constitute basic financial instruments.

The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgments in performing this valuation can be found in accounting policy 1.10.

1.13 AGENCY ARRANGEMENTS

The Academy trust acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no critical judgements which would have a material impact on the financial statements.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Mercers' company donation	-	-	-	-	10,430
Government capital grants	-	24,897	-	24,897	23,153
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	24,897	-	24,897	33,583
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £33,583 was to restricted funds.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Funding for educational operations	324,301	6,331,101	6,655,402	6,894,415
Trip income	361,695	-	361,695	209,249
Other income	-	53,894	53,894	29,580
	<u>685,996</u>	<u>6,384,995</u>	<u>7,070,991</u>	<u>7,133,244</u>

In 2015, of the total income from charitable activities, £539,172 was to unrestricted funds and £6,594,072 was to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants			
General annual grant (GAG)	5,991,756	5,991,756	6,116,394
Other DfE/EFA grants	322,257	322,257	424,864
	<u>6,314,013</u>	<u>6,314,013</u>	<u>6,541,258</u>
Other government grants			
Local authority grants	17,088	17,088	23,234
	<u>17,088</u>	<u>17,088</u>	<u>23,234</u>
Other funding			
Catering income	-	324,301	329,923
	<u>-</u>	<u>324,301</u>	<u>329,923</u>
	<u>6,331,101</u>	<u>6,655,402</u>	<u>6,894,415</u>

In 2015, of the total income from funding for academy's education operations, £329,923 was to unrestricted funds and £6,564,492 was to restricted funds.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	4,645	-	4,645	4,573

In 2015, of the total investment income, £4,573 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Funding for education:					
Direct costs	3,989,894	388,707	725,697	5,104,298	5,370,908
Support costs	1,280,729	443,988	544,207	2,268,924	2,033,466
Governance costs	-	-	70,357	70,357	60,679
	<u>5,270,623</u>	<u>832,695</u>	<u>1,340,261</u>	<u>7,443,579</u>	<u>7,465,053</u>

In 2015, of the total expenditure, £538,457 was to unrestricted funds, £6,513,053 was to restricted funds and £413,543 was to restricted fixed asset funds.

7. SUPPORT COSTS

	Funding for education £	Governance costs £	Total 2016 £	Total 2015 £
Premises Costs	443,988	-	443,988	476,674
Other support costs	207,187	45,682	252,869	249,881
Trip expenditure	361,695	-	361,695	209,249
Wages and salaries	1,020,202	19,550	1,039,752	948,702
National insurance	63,415	-	63,415	72,878
Pension cost	172,437	5,125	177,562	136,761
	<u>2,268,924</u>	<u>70,357</u>	<u>2,339,281</u>	<u>2,094,145</u>

During the year ended 31 August 2016, Governance costs were as follows:

Support staff costs - £24,675 (2015 - £20,397).

Other support costs - £45,682 (2015 - £40,282).

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	388,707	413,543
Auditor's remuneration - audit	10,850	10,550
Auditor's remuneration - other services	5,399	16,694
Operating lease rentals	15,413	10,996
	<u> </u>	<u> </u>

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,240,486	4,354,700
Social security costs	357,556	326,100
Operating costs of defined benefit pension schemes	672,581	541,053
	<u>5,270,623</u>	<u>5,221,853</u>

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

	2016 No.	2015 No.
Administration and support	84	86
Teachers	90	86
Management	5	5
	<u>179</u>	<u>177</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £404,857 (2015 - £398,325).

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. RELATED PARTY TRANSACTIONS

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

The land upon which the Academy is based is owned by The Mercers' Company. No rent was paid in the year (2015: £Nil). During the year the Academy received a donation of £23,967 from The Mercers' Company (2015: £10,430). This donation has been deferred as the Academy Trust are not entitled to this income until the next academic year.

During the year the Academy paid £26,181 (2015: £14,993) in respect of Disclosure and Barring Service (DBS) checks, clerking services and H.R. services to Thomas Telford School. During the year the Academy received grant income of £46,600 (2015: £20,800) from Thomas Telford School in relation to teacher training services. There were no amounts outstanding at the balance sheet date.

The Academy has obtained a statement of assurance confirming no profit element was charged in relation to services provided by Thomas Telford School.

The following Governors are also members of The Mercers' Company:

Mrs T M Littlefield
Mrs G Ruoss
Mr T M Watney
Mr C H Whittington

Mr M St John Parker was nominated by The Mercers' Company and Mr S B Roberts is a Governor at Telford City Technology College Trust Limited.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,188 (2015 - £1,188).

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. GOVERNORS' REMUNERATION AND EXPENSES

During the year, no Governors received any remuneration (2015 - £NIL).
During the year, no Governors received any benefits in kind (2015 - £NIL).
During the year, travel and subsistence expenses totalling £1,119 were reimbursed or paid directly to 2 Governors (2015 - £682).

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 September 2015 and 31 August 2016	15,775,115	1,521,848	1,842,794	19,139,757
DEPRECIATION				
At 1 September 2015	3,685,856	1,422,487	1,797,209	6,905,552
Charge for the year	315,500	39,979	33,228	388,707
At 31 August 2016	4,001,356	1,462,466	1,830,437	7,294,259
NET BOOK VALUE				
At 31 August 2016	11,773,759	59,382	12,357	11,845,498
At 31 August 2015	12,089,259	99,361	45,585	12,234,205

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

14. DEBTORS

	2016 £	2015 £
VAT recoverable	33,292	55,809
Other debtors	6,834	7,723
Prepayments and accrued income	106,231	161,288
	<u>146,357</u>	<u>224,820</u>

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	53,453	154,767
Social Security and other taxes	104,825	93,772
Other creditors	80,551	12,835
Accruals and deferred income	198,063	344,833
	<u>436,892</u>	<u>606,207</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	93,780	108,168
Resources deferred during the year	124,963	93,780
Amounts released from previous years	(93,780)	(108,168)
Deferred income at 31 August 2016	<u>124,963</u>	<u>93,780</u>

At the balance sheet date the academy trust was holding funds in advance for devolved formula capital received, rates relief, donations from Mercer's Company for the 2016/17 academic year and deposits for trips organised for the 2016/17 academic year.

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds - all funds	186,416	690,641	(685,185)	-	191,872
RESTRICTED FUNDS					
General Annual Grant (GAG)	608,631	5,991,756	(5,882,041)	-	718,346
Other EFA grants	108,707	322,257	(300,767)	-	130,197
Mercers donation	10,000	-	(10,000)	-	-
Other government grants	-	17,088	(17,088)	-	-
Other grants	-	53,894	(53,894)	-	-
Government capital grants	-	24,897	(24,897)	-	-
Pension reserve	(537,000)	-	(81,000)	(713,000)	(1,331,000)
	<u>190,338</u>	<u>6,409,892</u>	<u>(6,369,687)</u>	<u>(713,000)</u>	<u>(482,457)</u>

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16. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Government capital grant	12,149,582	-	(365,206)	-	11,784,376
APG capital expenditure	56,882	-	(6,143)	-	50,739
Private sector capital sponsorship	27,741	-	(17,358)	-	10,383
	<u>12,234,205</u>	<u>-</u>	<u>(388,707)</u>	<u>-</u>	<u>11,845,498</u>
Total restricted funds	<u>12,424,543</u>	<u>6,409,892</u>	<u>(6,758,394)</u>	<u>(713,000)</u>	<u>11,363,041</u>
Total of funds	<u>12,610,959</u>	<u>7,100,533</u>	<u>(7,443,579)</u>	<u>(713,000)</u>	<u>11,554,913</u>

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

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

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

The restricted income fund is subject to specific expenditure within the Charitable Company's declared objectives. EFA 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.

The main income streams included in other EFA grants include: Pupil premium and General rates income.

The government capital grant includes Devolved Formula Capital income received.

Transfers between funds relate to amounts expended on fixed assets from the EFA grant which have been used for the acquisition of fixed assets during the year. The actuarial loss/(gain) for the year is also shown here.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	11,845,498	11,845,498	12,234,205
Current assets	191,872	1,285,435	-	1,477,307	1,519,961
Creditors due within one year	-	(436,892)	-	(436,892)	(606,207)
Provisions for liabilities and charges	-	(1,331,000)	-	(1,331,000)	(537,000)
	<u>191,872</u>	<u>(482,457)</u>	<u>11,845,498</u>	<u>11,554,913</u>	<u>12,610,959</u>

18. PENSION COMMITMENTS

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

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

Contributions amounting to £76,060 were payable to the schemes at 31 August 2016 (2015 - 13,449) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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18. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £481,749 (2015 - £404,292).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £158,280 (2015 - £149,691), of which employer's contributions totalled £109,514 (2015 - £103,744) and employees' contributions totalled £48,766 (2015 - £45,947). The agreed contribution rates for future years are 14.9% for employers and 5.50% - 12.50% for employees.

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

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18. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate	2.20 %	4.00 %
Expected return on scheme assets at 31 August	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.05 %
Rate of increase for pensions in payment / inflation	2.00 %	2.30 %
Inflation assumption (CPI)	2.00 %	2.30 %

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

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

As the scheme is in a deficit position the Academy has started making additional contributions of £5,000 per annum from the financial year ending 31 August 2014. The Academy has not yet been advised of how many years, nor at what level, this contribution will continue at in future years.

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,124,000	1,740,000
Government bonds	248,000	215,000
Other bonds	306,000	294,000
Property	285,000	247,000
Cash/ liquidity	230,000	145,000
Other	386,000	268,000
Total market value of assets	3,579,000	2,909,000

The actual return on scheme assets was £573,000 (2015 - £125,000).

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18. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Service cost	169,000	124,000
Net interest on the defined liability (asset)	20,000	18,000
Administration expenses	2,000	1,000
Total	191,000	143,000

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

	2016 £	2015 £
Opening defined benefit obligation	3,446,000	3,113,000
Interest cost	138,000	124,000
Contributions by employees	49,000	52,000
Change in financial assumptions	1,168,000	61,000
Current service cost	169,000	124,000
Estimate benefits paid net of transfers in	(60,000)	(28,000)
Closing defined benefit obligation	4,910,000	3,446,000

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

	2016 £	2015 £
Opening fair value of scheme assets	2,909,000	2,655,000
Interest on assets	118,000	106,000
Return on assets less interest	455,000	20,000
Contributions by employer	110,000	105,000
Contributions by employees	49,000	52,000
Administration expenses	(2,000)	(1,000)
Estimated benefits paid net of transfers	(60,000)	(28,000)
Closing fair value of scheme assets	3,579,000	2,909,000

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**NOTES TO THE FINANCIAL STATEMENTS
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19. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	15,413	10,996
Between 1 and 5 years	28,076	30,239
Total	<u>43,489</u>	<u>41,235</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(343,046)	(293,653)
Adjustment for:		
Depreciation charges	388,707	413,543
Dividends, interest and rents from investments	(4,645)	(4,573)
Decrease/(increase) in debtors	78,463	(153,974)
(Decrease)/increase in creditors	(169,315)	45,837
Capital grants from DfE and other capital income	(24,897)	(23,153)
Defined benefit pension scheme cost less contributions payable	59,000	18,000
Defined benefit pension scheme finance cost	22,000	20,000
Net cash provided by operating activities	<u>6,267</u>	<u>22,027</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,330,950	1,295,141
Total	<u>1,330,950</u>	<u>1,295,141</u>

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22. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before they ceased to be a member.

23. AGENCY ARRANGEMENTS

The Academy distributes bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £32,256 (2015: £25,534) and disbursed £32,256 (2015: £25,534) from the fund. There were no outstanding amounts as at 31 August 2016.

24. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

The Local Government Pension Scheme has been adjusted to reflect changes resulting from transition to FRS 102 and whilst there is no difference to report in the net liability, the actuarial loss has decreased by £55,000 to £41,000 with an increase in the charge to expenditure of the same amount.