

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

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WALSALL CITY ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Governors

Mr C H Whittington, Chairman
Mrs N Latham, Co-opted Governor
Mrs G Ruoss
Mr G J Smith, Co-opted Governor (resigned 3 June 2015)
Mr M St John Parker, Co-opted Governor
Mrs T M Littlefield
Mrs S C Percox
Mr T M Watney
Mr S P Murray
Mr S B Roberts (appointed 10 March 2015)

Members

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

Company registered number

4251277

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, Director of Finance & Chief Financial Officer
Mr R J Taylor, Shadow Head
Mr J P Clarke, Senior Deputy Head

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 MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (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 2015

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Walsall City Academy Trust (the Academy) for the year ended 31 August 2015. The Governors confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' 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.

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.

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
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 Ruoss (Chair), Mr C H Whittington (ex officio) Mr G J Smith (resigned 3rd June 2015) and Mrs S C Percox.

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.

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 £10,000 from The Mercers' Company (2014: £Nil).

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.

RISK MANAGEMENT

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES, STRATEGIES AND ACTIVITIES

The period covered by these financial statements is the 12th 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
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015 examinations for Year 11 saw 68.5% of students achieving 5 A* to C including English and Mathematics which is above the local average (52.2% in 2015) and the England average (56.8% in 2015). 100% achieved 5 qualifications at GCSE A* to G or equivalent. 58.7% of Level 3 results were A*/A and B grades.

The 2015 Sixth Form results saw students achieving a pass rate of 100%.

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 2015 the total expenditure was £7,410,053. The deficit of income over expenditure was £238,653 which includes depreciation of £413,543.

At 31st August 2015 the net book value of fixed assets was £12,234,205 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 2015

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.

A deficit of £(73,602) has arisen on the Restricted Income Fund. This is due to the deficit of £96,000 on the Local Government Pension Scheme which is allocated to this fund. This liability will not crystallise immediately.

At the year end free reserves totalled £376,754.

INVESTMENT POLICY AND PERFORMANCE

Surplus funds are invested with HSBC in a deposit account. 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.

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 24.

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.

WALSALL CITY ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

DISCLOSURE OF INFORMATION TO AUDITOR

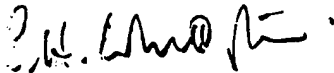
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- 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 17 November 2015 and signed on the board's behalf by:



Charles Whittington
Chair of the Board of Governors

WALSALL CITY ACADEMY TRUST
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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 Governors' responsibilities statement. 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	3	3
Mrs N Latham, Co-opted Governor	3	3
Mrs G Ruoss	2	3
Mr G J Smith, Co-opted Governor	0	2
Mr M St John Parker, Co-opted Governor	2	3
Mrs T M Littlefield	2	3
Mrs S C Percox	2	3
Mr T M Watney	2	3
Mr S P Murray	3	3
Mr S B Roberts	3	3

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 Ruoss	3	3
Mr G J Smith	0	2
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 trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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 73.6% 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 2014 to 31 August 2015 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 2014 to 31 August 2015 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.

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

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 17 November 2015 and signed on its behalf, by:



Charles Whittington
Chair of the Board of Governors



Simon Rogers
Accounting Officer

WALSALL CITY ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Walsall City Academy Trust I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Governing Body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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 Governing Body and EFA.



Simon Rogers
Accounting Officer

Date: 17 November 2015

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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 (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

The 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 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 17 November 2015 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 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 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 Governors' responsibilities statement, 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

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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.

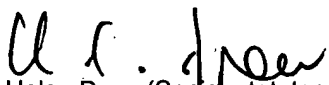
WALSALL CITY ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALSALL CITY ACADEMY TRUST

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
17 November 2015

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 2014 to 2015, 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 2014 to 31 August 2015 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 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 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 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe CC a (fchil) LLP
Crowe Clark Whitehill LLP

Statutory Auditor

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

17 November 2015

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	3	-	10,430	-	10,430	-
Investment income	4	4,573	-	-	4,573	4,707
Incoming resources from charitable activities	5	539,172	6,617,225	-	7,156,397	6,988,347
TOTAL INCOMING RESOURCES		543,745	6,627,655	-	7,171,400	6,993,054
RESOURCES EXPENDED						
Charitable activities	7	538,457	6,397,374	413,543	7,349,374	7,395,715
Governance costs	8	-	60,679	-	60,679	66,239
TOTAL RESOURCES EXPENDED	6	538,457	6,458,053	413,543	7,410,053	7,461,954
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		5,288	169,602	(413,543)	(238,653)	(468,900)
Actuarial gains and losses on defined benefit pension schemes		-	(96,000)	-	(96,000)	176,000
NET MOVEMENT IN FUNDS FOR THE YEAR		5,288	73,602	(413,543)	(334,653)	(292,900)
<i>Total funds at 1 September 2014</i>	16	<i>181,128</i>	<i>116,736</i>	<i>12,647,748</i>	<i>12,945,612</i>	<i>13,238,512</i>
TOTAL FUNDS AT 31 AUGUST 2015	16	186,416	190,338	12,234,205	12,610,959	12,945,612

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 38 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		12,234,205		12,647,748
CURRENT ASSETS					
Debtors	14	224,820		70,846	
Cash at bank and in hand		1,295,141		1,245,388	
		<u>1,519,961</u>		<u>1,316,234</u>	
CREDITORS: amounts falling due within one year	15	(606,207)		(560,370)	
NET CURRENT ASSETS			913,754		755,864
TOTAL ASSETS LESS CURRENT LIABILITIES			13,147,959		13,403,612
Defined benefit pension scheme liability	21	(537,000)		(458,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>12,610,959</u>		<u>12,945,612</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	727,338		574,736	
Restricted fixed asset funds	16	12,234,205		12,647,748	
Restricted funds excluding pension liability		12,961,543		13,222,484	
Pension reserve		<u>(537,000)</u>		<u>(458,000)</u>	
Total restricted funds			12,424,543		12,764,484
Unrestricted funds	16		186,416		181,128
TOTAL FUNDS			<u>12,610,959</u>		<u>12,945,612</u>

The financial statements were approved by the Governors, and authorised for issue, on 17 November 2015 and are signed on their behalf, by:



Charles Whittington
Chairman of the Board of Governors

The notes on pages 21 to 38 form part of these financial statements.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	18	45,180	64,115
Returns on investments and servicing of finance	19	4,573	4,707
INCREASE IN CASH IN THE YEAR		49,753	68,822

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	49,753	68,822
MOVEMENT IN NET FUNDS IN THE YEAR	49,753	68,822
Net funds at 1 September 2014	1,245,388	1,176,566
NET FUNDS AT 31 AUGUST 2015	1,295,141	1,245,388

The notes on pages 21 to 38 form part of these financial statements.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The Charitable Company is limited by guarantee. The members of the company are named on page 1. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

1.3 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education. 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.

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

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 INCOMING RESOURCES

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

1.5 RESOURCES EXPENDED

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

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

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

1.6 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 one year from the date of approval of the financial statements.

The Charitable Company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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.

1.8 OPERATING LEASES

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

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 2015**

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 quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 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 24.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2015 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 2015.

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Mercers' company donation	-	10,430	10,430	-

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	4,573	-	4,573	4,707

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Funding for educational operations	-	6,587,645	6,587,645	6,403,988
Catering income	329,923	-	329,923	328,691
Trip income	209,249	-	209,249	255,668
Other income	-	29,580	29,580	-
	<u>539,172</u>	<u>6,617,225</u>	<u>7,156,397</u>	<u>6,988,347</u>

WALSALL CITY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (continued)

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants			
General annual grant (GAG)	6,116,394	6,116,394	6,102,490
Other DfE/EFA grants	448,017	448,017	269,301
	<u>6,564,411</u>	<u>6,564,411</u>	<u>6,371,791</u>
Other government grants			
Local authority grants	23,234	23,234	32,197
	<u>23,234</u>	<u>23,234</u>	<u>32,197</u>
	<u><u>6,587,645</u></u>	<u><u>6,587,645</u></u>	<u><u>6,403,988</u></u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Funding for educational operations - Direct costs	4,063,512	1,307,396	5,370,908	5,403,840
Funding for educational operations - Support costs	1,082,944	895,522	1,978,466	1,991,875
CHARITABLE ACTIVITIES	<u>5,146,456</u>	<u>2,202,918</u>	<u>7,349,374</u>	<u>7,395,715</u>
GOVERNANCE	<u>20,397</u>	<u>40,282</u>	<u>60,679</u>	<u>66,239</u>
	<u><u>5,166,853</u></u>	<u><u>2,243,200</u></u>	<u><u>7,410,053</u></u>	<u><u>7,461,954</u></u>

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,405,998	3,349,135
National insurance	253,222	245,663
Pension cost	404,292	451,885
Depreciation	413,543	435,438
Technology costs	238,089	183,315
Educational supplies	250,502	357,973
Examination fees	165,014	158,213
Staff development	10,389	14,571
Other direct costs	229,859	207,647
	<u>5,370,908</u>	<u>5,403,840</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	928,305	928,123
National insurance	72,878	72,636
Pension cost	81,761	82,055
Maintenance of premises and equipment	176,600	164,757
Cleaning	7,482	7,052
Rates	44,197	46,998
Energy and water costs	207,002	183,907
Insurance	41,393	38,546
Security and transport	39,640	22,264
Catering	168,253	188,376
Bank interest and charges	1,706	672
Trip expenditure	209,249	256,489
	<u>1,978,466</u>	<u>1,991,875</u>
	<u><u>7,349,374</u></u>	<u><u>7,395,715</u></u>

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	10,550	10,550	10,250
Auditors' non audit costs	16,694	16,694	1,615
Legal and professional fees	13,038	13,038	23,062
Other governance costs	-	-	5,959
Support staff costs	20,397	20,397	25,353
	<u>60,679</u>	<u>60,679</u>	<u>66,239</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	413,543	435,438
Auditor's remuneration	10,550	10,250
Operating lease rentals:		
- other operating leases	10,996	12,920
	<u>435,089</u>	<u>458,608</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,354,700	4,302,611
Social security costs	326,100	318,299
Other pension costs (Note 21)	486,053	533,940
	<u>5,166,853</u>	<u>5,154,850</u>

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. STAFF (continued)

b. Staff numbers

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

	2015 No.	2014 No.
Administration and support	53	55
Teachers	85	86
	<u>138</u>	<u>141</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	0	1
	<u>6</u>	<u>6</u>

4 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pensions contributions for these staff amounted to £40,856 (2014: £33,521). The other employees participated in the LGPS, pension contributions amounted to £20,040 (2014: £16,395).

11. GOVERNORS' REMUNERATION AND EXPENSES

During the year, no Governors received any remuneration (2014 - £NIL).

During the year, no Governors received any benefits in kind (2014 - £NIL).

During the year, travel and subsistence expenses totalling £682 were reimbursed or paid directly to 2 Governors (2014 - £NIL).

12. 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 2015 was £1,188 (2014 - £1,000). The cost of this insurance is included in the total insurance cost.

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 September 2014 and 31 August 2015	15,775,115	1,521,848	1,842,794	19,139,757
DEPRECIATION				
At 1 September 2014	3,370,356	1,378,999	1,742,654	6,492,009
Charge for the year	315,500	43,488	54,555	413,543
At 31 August 2015	3,685,856	1,422,487	1,797,209	6,905,552
NET BOOK VALUE				
At 31 August 2015	12,089,259	99,361	45,585	12,234,205
At 31 August 2014	12,404,759	142,849	100,140	12,647,748

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

14. DEBTORS

	2015 £	2014 £
Other debtors	63,532	45,414
Prepayments and accrued income	161,288	25,432
	<u>224,820</u>	<u>70,846</u>

**15. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	154,767	46,951
Social Security and other taxes	93,772	98,946
Other creditors	12,835	63,523
Accruals and deferred income	344,833	350,950
	<u>606,207</u>	<u>560,370</u>

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

**15. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

	£
DEFERRED INCOME	
Deferred income at 1 September 2014	108,168
Resources deferred during the year	93,780
Amounts released from previous years	(108,168)
	<u>93,780</u>
Deferred income at 31 August 2015	<u>93,780</u>

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds - all funds	181,128	543,745	(538,457)	-	186,416
	<u>181,128</u>	<u>543,745</u>	<u>(538,457)</u>	<u>-</u>	<u>186,416</u>
RESTRICTED FUNDS					
General Annual Grant (GAG)	574,736	6,116,394	(6,082,499)	-	608,631
Other EFA grants	-	448,017	(339,310)	-	108,707
Mercers donation	-	10,430	(430)	-	10,000
WMBC grants	-	23,234	(23,234)	-	-
Other grants	-	29,580	(29,580)	-	-
Pension reserve	(458,000)	-	17,000	(96,000)	(537,000)
	<u>116,736</u>	<u>6,627,655</u>	<u>(6,458,053)</u>	<u>(96,000)</u>	<u>190,338</u>
RESTRICTED FIXED ASSET FUNDS					
Government capital grant	12,539,624	-	(390,042)	-	12,149,582
APG capital expenditure	63,025	-	(6,143)	-	56,882
Private sector capital sponsorship	45,099	-	(17,358)	-	27,741
	<u>12,647,748</u>	<u>-</u>	<u>(413,543)</u>	<u>-</u>	<u>12,234,205</u>
Total restricted funds	<u>12,764,484</u>	<u>6,627,655</u>	<u>(6,871,596)</u>	<u>(96,000)</u>	<u>12,424,543</u>
Total of funds	<u>12,945,612</u>	<u>7,171,400</u>	<u>(7,410,053)</u>	<u>(96,000)</u>	<u>12,610,959</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.

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

16. STATEMENT OF FUNDS (continued)

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, General rates income, and Devolved formula capital.

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 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 2015. Note 2 discloses whether the limit was exceeded.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	181,128	543,745	(538,457)	-	186,416
Restricted funds	116,736	6,627,655	(6,458,053)	(96,000)	190,338
Restricted fixed asset funds	12,647,748	-	(413,543)	-	12,234,205
	<u>12,945,612</u>	<u>7,171,400</u>	<u>(7,410,053)</u>	<u>(96,000)</u>	<u>12,610,959</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	12,234,205	12,234,205	12,647,748
Current assets	177,583	1,342,378	-	1,519,961	1,316,234
Creditors due within one year	8,833	(615,040)	-	(606,207)	(560,370)
Provisions for liabilities and charges	-	(537,000)	-	(537,000)	(458,000)
	<u>186,416</u>	<u>190,338</u>	<u>12,234,205</u>	<u>12,610,959</u>	<u>12,945,612</u>

WALSALL CITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(238,653)	(468,900)
Returns on investments and servicing of finance	(4,573)	(4,707)
Depreciation of tangible fixed assets	413,543	435,438
(Increase)/decrease in debtors	(153,974)	50,649
Increase/(decrease) in creditors	45,837	(1,365)
FRS 17 adjustments	(17,000)	53,000
NET CASH INFLOW FROM OPERATIONS	45,180	64,115

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4,573	4,707

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,245,388	49,753	-	1,295,141
NET FUNDS	1,245,388	49,753	-	1,295,141

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. 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 defined benefit schemes.

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

Contributions amounting to £13,449 were payable to the schemes at 31 August 2015 (2014 - £66,045) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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21. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £654,186 (2014: £674,764).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 2015 was £149,691, of which employer's contributions totalled £103,744 and employees' contributions totalled £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.

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 and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	1,740,000	7.00	1,195,000
Government bonds	2.50	215,000	2.90	210,000
Other bonds	3.60	294,000	3.80	273,000
Property	6.10	247,000	6.20	231,000
Cash/ liquidity	0.50	145,000	0.50	117,000
Other	6.50	268,000	7.00	629,000
Total market value of assets		<u>2,909,000</u>		<u>2,655,000</u>
Present value of scheme liabilities		<u>(3,446,000)</u>		<u>(3,113,000)</u>
(Deficit)/surplus in the scheme		<u><u>(537,000)</u></u>		<u><u>(458,000)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,446,000)	(3,113,000)
Fair value of scheme assets	2,909,000	2,655,000
Net liability	<u>(537,000)</u>	<u>(458,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,113,000	2,814,000
Contributions by scheme participants	52,000	42,000
Actuarial Losses	61,000	16,000
Interest cost	124,000	130,000
Current service cost	124,000	138,000
Benefits paid	(28,000)	(27,000)
Closing defined benefit obligation	<u>3,446,000</u>	<u>3,113,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	2,655,000	2,233,000
Actuarial gains and (losses)	(35,000)	192,000
Expected return on assets	160,000	134,000
Contributions by employer	105,000	81,000
Contributions by employees	52,000	42,000
Benefits paid	(28,000)	(27,000)
	<u>2,909,000</u>	<u>2,655,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £189,000 (2014 - £93,000).

The Academy expects to contribute £87,000 to its Defined benefit pension scheme in 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2015	2014
Equities	60.00 %	45.00 %
Government bonds	7.00 %	7.90 %
Other bonds	10.00 %	10.30 %
Property	9.00 %	8.70 %
Cash/ liquidity	5.00 %	4.40 %
Other	9.00 %	23.70 %

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

	2015	2014
Discount rate	4.00 %	3.90 %
Rate of increase in salaries	4.05 %	3.85 %
Rate of increase for pensions in payment / inflation	2.30 %	2.10 %
Inflation assumption (CPI)	2.30 %	2.10 %

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

	2015	2014
Retiring today		
Males	23.0	22.9
Females	25.2	25.5
Retiring in 20 years		
Males	25.6	25.1
Females	28.0	27.8

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(3,446,000)	(3,113,000)	(2,814,000)	(2,540,000)	(2,173,000)
Scheme assets	2,909,000	2,655,000	2,233,000	1,921,000	1,717,000
Deficit	(537,000)	(458,000)	(581,000)	(619,000)	(456,000)
Experience adjustments on scheme liabilities	-	150,000	-	-	66,000
Experience adjustments on scheme assets	(35,000)	192,000	89,000	(12,000)	38,000

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

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases other than land and buildings which expire as follows:

	2015 £	2014 £
EXPIRY DATE:		
Between 2 and 5 years	<u>10,996</u>	<u>10,996</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor 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 following related party transaction took place in the period of account.

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 was paid in the year (2014: £Nil). During the year the Academy received a donation of £10,430 from The Mercers' Company (2014: £Nil).

During the year the Academy paid £14,993 (2014: £13,902) 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 £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.

24. AGENCY ARRANGEMENTS

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