



Financial Statements  
Year Ended - 31 August 2013



**CITY OF WOLVERHAMPTON**  
**ACADEMY TRUST**

**Report of the Directors and  
Financial Statements**

Company Number 06969900  
(England and Wales)

Year Ended - 31 August 2013

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## Report of the Directors

The Directors present their Annual Report, together with the Financial Statements and Auditors' Report of the charitable company for the year ended 31 August 2013.

### Structure, Governance and Management

The City of Wolverhampton Academy Trust is a Company Limited by Guarantee (Company No 06969900) incorporated on 22 July 2009 and an exempt charity.

The financial information contained in this report is based on the consolidation of the Trust's two Academies: South Wolverhampton & Bilston Academy and North East Wolverhampton Academy.

The members and Directors who served throughout the year, except as noted, were as follows:

#### Members

City of Wolverhampton College  
University of Wolverhampton  
Wolverhampton City Council  
William Albert Parker (removed 4 September 2013)  
Robin Landman (removed 4 September 2013)  
Jane Marie Kitchen (removed 4 September 2013)  
Geoffrey Hampton (appointed 4 September 2013)

#### Directors

Ian Stewart Millard (resigned 10 September 2012)  
William Albert Parker (resigned 13 June 2013)  
John Stretton (resigned 22 July 2013) (Responsible Officer)  
Geoffrey Simon Walford  
Henriette Harnisch  
Anthea Gregory  
Geoffrey Mark Layer (resigned 28 March 2013)  
Timothy Westwood (resigned 4 September 2013)  
Emma Timmins (appointed 16 November 2012)  
Tina Downes (appointed 19 November 2012)  
Paul William Bishton (appointed 28 November 2012) (Accounting Officer)  
Pieter Hazenberg (appointed 21 January 2013)  
Jon Crockett (appointed 4 September 2013)  
Geoffrey Hampton (appointed 4 September 2013)  
Simon Warren (appointed 4 September 2013)  
Christopher Field (appointed 4 September 2013) (Responsible Officer)  
Claire Boliver (appointed 18 September 2013)

**Chairman (Non-Executive)** Geoffrey Hampton

**Company Secretary** Jeetender Singh Thyra

## Report of the Directors *(continued)*

### Structure, Governance and Management *(continued)*

<b>Executive Committee</b>	Paul William Bishton (Accounting Officer and Chair) Kerry Inscker (Principal - South Wolverhampton & Bilston Academy) Balbir Kaur-Pierpoint (Principal - North East Wolverhampton Academy) Jeetender Singh Thyra (Director of Finance & Operations)
<b>Principal and Registered office</b>	5 Pendeford Place Pendeford Business Park Wobaston Road Wolverhampton WV9 5HD
<b>Bankers</b>	Lloyds TSB Bank plc PO Box 1000 BX1 1LT  Co-operative Bank plc 118 / 120 Colmore Row Birmingham B3 3BX
<b>Solicitors</b>	Eversheds LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES  FBC Manby Bowdler George House St John's Square Wolverhampton WV2 4BZ
<b>Auditors</b>	Baker Tilly UK Audit LLP St Philips Point Temple Row Birmingham B2 5AF
<b>Insurance brokers</b>	Zurich Municipal Zurich House 2 Gladiator Way Farnborough Hampshire GU14 6GB

## **Report of the Directors** *(continued)*

### **Structure, Governance and Management** *(continued)*

#### **Constitution**

The Trust is a company limited by guarantee with no share capital (registration no. 6969900) and an exempt charity. The Trust's memorandum and articles of association are the primary governing documents of the Trust. Members of the Trust are nominated by either the Secretary of State for Education and Skills or by City of Wolverhampton College, the main sponsors of the Academies up until 10 December 2013 or by University of Wolverhampton, the co-sponsors of the Academies or by Wolverhampton City Council, the second co-sponsors of the Academies. The main sponsor of the Academies changed on the 10 December 2013 to the University of Wolverhampton, the City of Wolverhampton College became the co-sponsor and the Wolverhampton City Council remained the second co-sponsor. The Articles of Association require the members of the Trust to appoint at least three Directors to be responsible for the statutory and constitutional affairs of the Trust and the management of the Academies.

#### **Members' Liability**

Each member of the Trust undertakes to contribute to the assets of the Trust in the event of it being wound up while he / she is a member, or within one year he / she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he / she ceases to be a member.

#### **Directors**

The Directors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. Directors of the Trust are nominated by either the Secretary of State for Education and Skills or by City of Wolverhampton College, the main Sponsors of the Academies (co-sponsors from the 10 December 2013) or by University of Wolverhampton, the Co-Sponsors of the Academies (main sponsor from 10 December 2013) or by Wolverhampton City Council, the second Co-Sponsors of the Academies. Directors are also appointed if they hold the position of Chairperson of the Executive Committee and the Academy's Stakeholder Committees and the Stakeholder Committee members can also elect up to two Parent Directors.

The Directors who were in office at the date of approval of the Financial Statements served throughout the year, except where shown, are listed on page 3.

During the year under review the Directors held six meetings. Where necessary, training is provided on charity, educational, legal and financial matters. The training and induction provided for new Directors will depend on their existing experience. New Directors are given a tour of the Academies and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual.

In accordance with normal commercial practices, the Trust has purchased insurance to protect Directors, Stakeholder Committee members and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim.

## **Report of the Directors** *(continued)*

### **Structure, Governance and Management** *(continued)*

#### **Organisation**

The organisational structure of the Trust consists of three principal strands: the Board of Directors, the Executive Committee and the Sub-Committees to the Board. The Sub-Committees to the Board comprise of the Finance and Estates Management Committee, the Human Resources Committee, the Performance & Standards Committee, the Audit Committee, the Nominations and Governance Committee and the Academies' Stakeholder Committees. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academies' use of budgets and making major decisions about the direction of the Academies, capital expenditure and senior staff appointments.

The Executive Committee is comprised of the Principals, Kerry Inscker (South Wolverhampton & Bilston Academy) and Balbir Kaur-Pierpoint (North East Wolverhampton Academy), the Accounting Officer and Chair Paul William Bishton and the Director of Finance & Operations Jeetender Singh Thyra. The Executive Committee controls the day to day management of the Academies at an executive level implementing the policies laid down by the Directors and reporting back to them. As a group, the Executive Committee is responsible for the authorisation of spending within agreed budgets and the appointment of staff and appointment boards for posts in the Management Team always contain a Director as a panel member. Some spending control is devolved to members of the Management Team with limits, above which an Executive Committee member must countersign.

The Management Team includes the Senior Leadership Teams at each Academy and the Trust. These managers are responsible for the day to day operations of the Academies, in particular organising the teaching staff, facilities and students in order to deliver high quality teaching and learning.

#### **Connected organisations**

The City of Wolverhampton College, University of Wolverhampton and Wolverhampton City Council are sponsors to City of Wolverhampton Academy Trust and since the Academies' founding, while not donating financially, have provided experienced management time to assist the Academies in achieving their objectives.

#### **Risk Management**

The Directors assess the major risks to which the Trust is exposed annually, in particular, those relating to the specific teaching, provision of facilities and other operational areas of the Academies, and their finances. The Directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

## **Report of the Directors** *(continued)*

### **Structure, Governance and Management** *(continued)*

The Executive Committee receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive Committee, Audit Committee and the Finance and Estates Management Committee also receive regular reports from the responsible officer, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Trust's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Committee and the Finance and Estates Management Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2013 meeting, the Trust carried out the annual assessment for the year ended 31 August 2013 by considering documentation from the Executive Committee and Responsible Officer, and taking account of events since 31 August 2013.

### **Going concern**

After making appropriate enquiries, the Trust considers that the Trust 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.

### **Objectives and Activities**

#### **Object and aims**

The principal object and activity of the charitable company the City of Wolverhampton Academy Trust is to promote excellence in education and learning for pupils of different abilities between the ages of 11 and 19.

The focus of the Trust is to support young people in achieving their true potential. The Trust is committed to significantly improving students' ambitions, aspirations, learning, achievement and personal development, irrespective of their ability, gender, faith or race. The Trust is committed to fostering the tolerance and respect for others which leads to greater community cohesion. The Trust is inclusive and non-selective in its admissions policy.

#### **Public Benefit**

The Directors have confirmed they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set and have complied with the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic direction of the Trust.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum and their practical applications

The main objectives of the Trust during the period ended 31 August 2013 and for the next 12 months are summarised below:

- to ensure that every student enjoys the same high quality education and learning opportunities in terms of resourcing, tuition and care to attain appropriate academic qualifications and move on to further or higher education;

## Report of the Directors *(continued)*

### Objectives and Activities *(continued)*

- to raise the standard of educational achievement of all students;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to promote and develop training opportunities for all staff;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

### Objectives, Strategies and activities

The Trust's main objectives are encompassed by the activities provided including:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore subject areas in a practical and project oriented way;
- a careers advisory service to help students obtain employment or move on to higher education.

### Sustainability

The Trust is committed to sustainable development throughout all aspects of its operations. The Trust will continue to strive to meet or exceed the *Sustainable Development in Government* targets.

### Achievements and Performance

The Trust is now in its fourth year of operation and both Academies are striving hard to achieve the forecast numbers of students. Total students in the year ended 31 August 2013 numbered 754 in the South Wolverhampton & Bilston Academy and 1007 in the North East Wolverhampton Academy. Both Academies have agreement from the Department for Education (DfE) to admit 200 students in each year group up to Year 11, and a further 200 in the Sixth Form and strategies are in place to increase student numbers to this maximum capacity of 1,200 in each Academy.

#### South Wolverhampton & Bilston Academy

At A level, candidates achieved an average of over 360 points per candidate (2012 average 549). There was a 95% pass rate at A Level (2012 93%) and 40% of grades were A\*-C (2012 45%). At AS Level the pass rate was 35% (2012 64%) and 20% of grades were A-C (2012 22%). GCSE examination results for South Wolverhampton & Bilston Academy 2013 have improved and the Academy is continuing its efforts in achieving above floor targets. At GCSE, 35% of grades were 5 A\*-C including English and Maths (2012 27%) and 77% of students achieved 5 or more passes at this level (2012 79%).

#### North East Wolverhampton Academy

At A level, candidates achieved an average of over 705.9 points per candidate (2012 average 666). There was a 100% pass rate at A Level (2012 100%) and 92% of grades were A-C (2012 61%). At AS Level, the pass rate was 78% (2012 78%) and 48% of grades were A-C (2012 30%). GCSE examination results for North East Wolverhampton Academy 2013 have improved. At GCSE, 50.4% of grades were 5 A\*-C including English and Maths (2012 40%) and 94% of students achieved 5 or more passes at this level (2012 86%).



## Report of the Directors *(continued)*

### Achievements and Performance *(continued)*

All academic results, at this time of year, are unvalidated.

To ensure that standards are continually raised, the Academies operate a programme of observation of lessons; are visited by inspectors; and undertake a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Academies also participate in national programmes looking at added value through the key stages. The Trust has also created support agreements with nationally recognised high performing secondary schools such as the John Taylor High School, for teaching and learning development, John Kyrle High School for leadership development, Wood Green Academy for support in English, Abraham Darby Academy, for support in Mathematics and the Specialist Schools & Academies Trust, for specific projects.

In the South Wolverhampton & Bilston Academy 94% (2012 65%) of students went on to further education and 0% (2012 12%) gained employment. The NEET figure was 6% (2012 5%).

In the North East Wolverhampton Academy 95% (2012 91%) of students at went onto Further Education and 0% (2012 2%) gained employment. The NEET figure was 5% (2012 7%).

### Financial Review

#### Financial objectives

The Trust's financial objectives are:

- to achieve an annual operating surplus in each Academy;
- to pursue alternative sources of funding, on a selective basis, consistent with each Academy's core competencies, and the need for a financial contribution to the Academy's overall finances;
- to generate sufficient levels of income to support the asset and overhead base of each Academy;
- to maintain the Trust's shorter term liquidity;
- to fund continued capital investment by generating sufficient reserves for future developments.

These objectives were achieved in the year ending 31 August 2013.

#### Financial report for the period

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. There is also some commercial income from catering, lettings, investments and voluntary funds which is shown as unrestricted funding.

The Trust also receives grants for fixed assets from the Education Funding Agency (EFA). In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £16,433,000 (2012 £16,261,000) was more than covered by recurrent grant funding from the EFA together with other incoming resources. This expenditure was exclusively for provision of education and the associated support services to the students of the Academies.

## **Report of the Directors** *(continued)*

### **Financial Review** *(continued)*

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non-teaching staff to the restricted non fixed assets fund. This has resulted in the fund showing a substantial deficit in both the year to 31 August 2013 and the preceding period. It should be noted that this does not present the Trust with any current liquidity problem. We are continuing contributions to the pension scheme in line with actuarial advice in the expectation of seeing a reduction of this pension deficit in the future, although this may not be achieved until stock market investment values recover.

During the year the Trust also benefitted by £26,262,000 (2012 £Nil) from the grant of the 125 year lease for the Centre of Excellence at the North East Wolverhampton Academy, the main South Wolverhampton & Bilston Academy building and £1.1m of ICT equipment as part of the City's Building Schools for the Future Project.

The surplus of income over expenditure for the year was £25,050,000 (2012 £1,128,000).

At 31 August 2013 the net book value of fixed assets was £26,361,000 (2012 £802,000) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academies.

### **Reserves policy and financial position**

#### ***Reserves policy***

The Directors review the Trust reserve policy annually. The level of reserves takes into account the nature of income and expenditure streams, the need to match income to commitments and the nature of reserves. Trust Academies are funded on a monthly basis by EFA grant funding, therefore the income fairly matches the expenditure for each Academy, the majority of which relates to staff costs, and because the financial year equates to the academic year. Therefore, the Trust does not require reserves to meet its operating costs.

Academies are not allowed to borrow or run a deficit therefore costs are managed with reference to the level of grant income from the EFA to achieve and maintain reserve levels.

Academies are restricted from building reserves from revenue grants up to a 2% maximum by EFA. Academies may retain larger reserves for capital purposes, however it is not anticipated that the Trust Academies will be generating significant surpluses to use against capital projects as their new buildings will mainly be funded by the Building Schools for the Future programme. Academies are permitted to roll forward Start-Up Grants that are received when the Academy opens. Given the above, it is expected that, after the program of building works is well under way, the Trust will retain extra reserves of up to £0.5m by the end of the next financial period. However, this will be mitigated by the requirement for the Trust to account for any pension deficit arising from its obligations in the next financial year. The Trust aims to maintain positive reserves on an annual basis before the pension liability.

The reserves of the Trust principally represent funding received in prior periods, notably for the Start-Up Period that will be expended over the next three years as a significant program of building works is undertaken at each academy. The funding will be expended on capital revenue costs for facilities and resources.

## Report of the Directors *(continued)*

### Financial Review *(continued)*

The Trust held fund balances at 31 August 2013 of £27,429,000 (2012 £2,277,000) comprising £26,482,000 (2012 £1,485,000) of restricted funds and £947,000 (2012 £792,000) of unrestricted general funds. The restricted funds are stated after the deductions of the pension reserve deficit of £(3,149,000) (2012 £(3,013,000)).

### Investment Policy

The Trust monitors cash flow weekly to ensure that immediate financial commitments, such as payroll and supplier payments, can be met. Where cash surpluses are identified, funds are transferred into a deposit account bearing a higher rate of interest. The Trust's policy is to only invest funds in risk free and easily accessible deposit accounts.

### Principal Risks and Uncertainties

The Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

The Executive Committee undertakes a comprehensive review of the risks to which the Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review with the Finance and Estates Management Committee the Executive Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Trust.

A Risk Register is maintained at the Trust level which is reviewed at each meeting of the Finance and Estates Management Committee and more frequently by the Executive Committee, where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce, avoid or mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the Trust.

Outlined below is a description of the principal risk factors that may affect the Trust. Not all the factors are within the Trust's control. Other factors besides those listed below may also adversely affect the Trust.

#### 1. Government Funding

The Trust has considerable reliance on continued government funding through the EFA for its educational activities. In 2013, 99% (2012 97%) of the Trust's revenue was ultimately public funded and this level of requirement is expected to continue.

There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- By ensuring the Trust is rigorous in delivering high quality education and training as cost effective as possible;
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

## Report of the Directors *(continued)*

### Financial Review *(continued)*

#### 2. Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS17. While this poses a low liquidity and going concern risk the Trust is conscious that future payments may be required in order to help reduce the size of the deficit if fund performance continues to suffer.

#### 3. Student Recruitment

The Trust is focused on increasing pupil intake into Year 7 and retention of students in the sixth form to ensure that all of its Academies are full and delivering high quality services to as many students from its communities as quickly as possible and avoid any budgetary financial pressures from local demographic factors. Academy development plans, new buildings / equipment and recruitment activities, as well as strong links with high performing, nationally recognised, schools have been developed and accelerated in order that the positive reputation and strengths of the Trust's Academies are recognised by the community and potential students.

#### 4. GCSE Attainment Levels

GCSE attainment levels were still below the National floor targets at the South Wolverhampton & Bilston Academy. The Academy has implemented a comprehensive and focused recovery plan with the assistance of external advisers and is managing the risk in achieving the improvement in the GCSE KPI to ensure improvement and acceptable progress. The recent OFSTED report (September 2013) indicated that the academy was rapidly improving and had good Leadership and Management and Governance.

### Plans for future periods

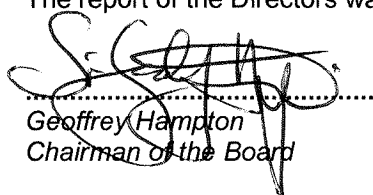
The Trust will continue focus on its main objectives as summarised above and will be striving to improve the levels of performance of its students at all levels and continue its efforts to ensure its students obtain employment or a place in further or higher education once they leave. The Trust believes that the exciting plans for its new buildings and facilities in 2014 will also increase its recruitment of students up to its budgetary levels and capacity.

### Auditor

Insofar as the Directors are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that Auditor is aware of that information.

Baker Tilly UK Audit has indicated its willingness to continue in office.

The report of the Directors was approved by the Directors on 10 December 2013 and signed on their behalf by:

  
Geoffrey Hampton  
Chairman of the Board

**Address:** City of Wolverhampton Academy Trust  
5 Pendeford Place  
Pendeford Business Park  
Wobaston Road  
Wolverhampton  
WV9 5HD

**Date:** 10 December 2013

## Governance Statement

### *Scope of responsibility*

As Directors, we acknowledge we have overall responsibility for the Trust's system of internal financial control and for reviewing its effectiveness. 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 Trust has delegated the day-to-day responsibility to the Principals, the Accounting Officer and the Director of Finance & Operations for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Academy and EFA. They are also responsible for reporting to the Trust any material weaknesses or breakdowns in internal control.

## Governance

The information on governance included here supplements that described in the Report of the Directors and in the Statement of Directors' responsibilities.

## Board of Directors

The Board of Directors has ultimate responsibility for decision making and the strategic direction of the Trust. All other sub-committees exist in support of this overarching responsibility. The Board has formally met six times during the year.

Attendance during the year at meetings of the Board of Directors was as follows:-

Director	Meetings Attended	Out of a possible	%
I.S. Millard	0	0	100%
W.A. Parker (Chair)	6	6	100%
J. Stretton	5	6	83%
G.S. Walford	3	6	50%
H. Harnisch	3	6	50%
A. Gregory	6	6	100%
G.M. Layer	1	4	25%
T. Westwood	4	6	67%
E. Timmins	4	5	80%
T. Downes	5	5	100%
P. Bishton	4	4	100%
P. Hazenberg	2	4	50%

## Governance Statement *(continued)*

### Finance and Estates Management Committee

The Finance and Estates Management Committee assists the Board in fulfilling its responsibility to ensure sound management of the Academies' finances and resources, including estates, effective planning and budgeting, tendering, monitoring and probity.

Directors', who were members of this sub-committee, attendance during the year at meetings was as follows:-

Director	Meetings Attended	Out of a possible	%
I.S. Millard	0	0	100%
G.S. Walford (Chair)	3	3	100%
W.A. Parker	1	1	100%
P. Hazenberg	1	2	50%
P. Bishton	1	2	50%

### Performance and Standards Committee

The Performance and Standards Committee assists the Board in fulfilling its responsibility to ensure sustained and consistently high performance and standards for all of its Academies. This includes monitoring the Academy Development Plan, the quality of teaching and learning, annual targets, intervention strategies, curriculum developments and academic performance.

Directors', who were members of this sub-committee, attendance during the year at meetings was as follows:-

Director	Meetings Attended	Out of a possible	%
I.S. Millard	0	0	100%
J. Stretton (Chair)	8	8	100%
P. Bishton	5	5	100%
J. Parker	6	7	86%
G.M. Layer	1	6	17%
A. Gregory	2	2	100%
T. Westwood	6	8	75%
P. Hazenberg	4	4	100%

### Human Resources Committee

The Human Resources Committee assists the Board in fulfilling its responsibility to ensure sound human resource, child protection and safeguarding management. Directors', who were members of this sub-committee, attendance during the year at meetings was as follows:-

Director	Meetings Attended	Out of a possible	%
W.A. Parker	5	5	100%
H. Harnisch (Chair)	6	6	100%
P. Bishton	6	6	100%

## Governance Statement *(continued)*

### Nominations and Governance Committee

The Nominations and Governance Committee assists the Board in fulfilling its responsibility to ensure there is an appropriate skills composition on the Board and sub-committees and oversees adherence to the Trust Code of Conduct. The committee also advise the Board on Director and Committee Member recruitment to ensure committees are adequately populated and operating effectively.

Directors', who were members of this sub-committee, attendance during the year at meetings was as follows:-

Director	Meetings Attended	Out of a possible	%
J Parker (Chair)	2	2	100%
T Downes	1	2	50%
P Bishton	1	2	50%

### Audit Committee

The Audit Committee assists the Board in fulfilling its responsibility to ensure appropriate recommendations are implemented on internal / external / funding audits and that the Trust operates a robust system of internal control.

Directors', who were members of this sub-committee, attendance during the year at meetings was as follows:-

Director	Meetings Attended	Out of a possible	%
J Stretton	1	1	100%
H. Harnisch	0	1	0%
P Bishton	1	1	100%

#### *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 on-going process designed to identify and prioritise the risks to the achievement of Trust 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 Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

#### *Capacity to handle risk*

The Trust has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the Annual Report and Financial Statements. This process is reviewed annually by the Trust.

## **Governance Statement** *(continued)*

### *The risk and control framework*

The Trust'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 Trust;
- regular reviews by the Finance and Estates Management 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 Trust is committed to exhibiting best practice in all aspects of corporate governance and Code of Conduct Policy. This summary describes the manner in which the Trust has applied the principles set out in the UK Corporate Governance Code issued by the London Stock Exchange in June 2010. Its purpose is to help the reader of the financial statements understand how the principles have been applied. In the opinion of the Directors, the Trust complies with all the provisions of the Code in so far as they apply to the Academy Sector throughout the year ended 31 August 2013.

The measures that the Trust has taken to comply with the Code include:

- set policies on internal control and risk;
- clarified the responsibility of the Executive Committee to implement the Directors' policies and to identify and evaluate risks for the Directors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in each Academy's operations so that it becomes part of the culture of the Trust;
- developed systems to respond quickly to evolving risks arising from factors within each Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Directors together with details of corrective action being undertaken.

The Trust has considered the need for a specific internal audit function and, as permitted by the EFA Financial Handbook for Academies, appointed Christopher Field in the role of Responsible Officer (RO) and Staffordshire University Academy in the role of internal auditor for the following financial year. During the year ended 31 August 2013, John Stretton performed the role of Responsible Officer. The RO's role includes giving advice on financial matters and performing a range of checks on the financial systems. Bi-annually the RO reports to the Directors on the operation of the systems of control and on the discharge of their financial responsibilities.



## Governance Statement *(continued)*

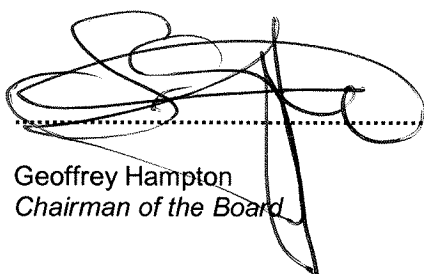
### *Review of effectiveness*

As Accounting Officer, Paul Bishton has responsibility for reviewing the effectiveness of the system of internal control within the Trust. Their review of the effectiveness of the system of internal control is informed by:

- the work of the responsible officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Director of Finance & Operations within the Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the responsible officer, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Directors of the Trust on 10 December 2013 and signed on their behalf by:



Geoffrey Hampton  
Chairman of the Board



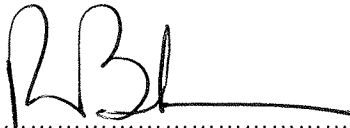
Paul William Bishton  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of the City of Wolverhampton Academy Trust, I have considered my responsibility to notify the Academy Trust Board 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.

I confirm that I and the Academy Trust Board 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



.....  
*Paul William Bishton*  
*Accounting Officer*

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with the Academies Accounts Direction 2013 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 the financial year. In preparing these financial statements, the Directors are required to:

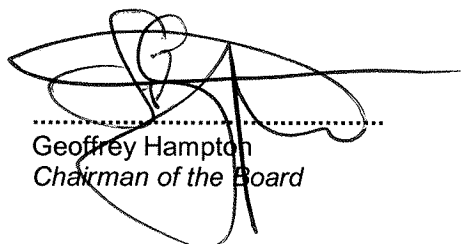
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors 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 Directors are responsible for ensuring that in its conduct and operations 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 Directors are responsible for the maintenance and integrity of the charitable company's websites. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the Directors of the Trust on 10 December 2013 and signed on their behalf by:



.....  
Geoffrey Hampton  
Chairman of the Board

## Independent Auditors' report to the members of City of Wolverhampton Academy Trust

We have audited the financial statements of City of Wolverhampton Academy Trust for the year ended 31 August 2013 on pages 21 to 43. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the directors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

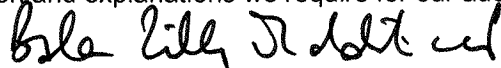
### Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Directors' 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:

- the charity has not kept adequate accounting records, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PAUL OXTOBY (Senior Statutory Auditor)   
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
St Philips Point  
Temple Row  
Birmingham, B2 5AF

Date: 20 December 2013

## Statement of financial activities

for the year ended 31 August 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains & Losses)

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2013 £000	Restated Total 2012 £000
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	3	-	585	26,262	26,847	1,111
Activities for generating funds	4	381	-	-	381	349
Investment income	5	72	-	-	72	56
Incoming resources from charitable activities:						
Funding for the Trust's educational activities	6	-	14,145	38	14,183	15,873
<b>Total incoming resources</b>		<b>453</b>	<b>14,730</b>	<b>26,300</b>	<b>41,483</b>	<b>17,389</b>
<b>Resources expended</b>						
Cost of generating funds:						
Costs of generating voluntary income		(298)	-	-	(298)	(296)
Charitable activities						
Trust's educational activities	8	-	(14,984)	(1,090)	(16,074)	(15,916)
Governance costs	9	-	(61)	-	(61)	(49)
<b>Total resources expended</b>	7	<b>(298)</b>	<b>(15,045)</b>	<b>(1,090)</b>	<b>(16,433)</b>	<b>(16,261)</b>
<b>Net incoming / (outgoing) resources before Transfers</b>		<b>155</b>	<b>(315)</b>	<b>25,210</b>	<b>25,050</b>	<b>1,128</b>
Gross transfers between funds	20	-	(387)	387	-	-
<b>Net income/(expenditure)for the year</b>		<b>155</b>	<b>(702)</b>	<b>25,597</b>	<b>25,050</b>	<b>1,128</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	102	-	102	(167)
<b>Net movement in funds</b>		<b>155</b>	<b>(600)</b>	<b>25,597</b>	<b>25,152</b>	<b>961</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward						
as previously stated		792	(805)	802	789	1,316
prior period adjustment	20	-	1,488	-	1,488	-
		<b>792</b>	<b>683</b>	<b>802</b>	<b>2,277</b>	<b>1,316</b>
<b>Total funds carried forward</b>	20	<b>947</b>	<b>83</b>	<b>26,399</b>	<b>27,429</b>	<b>2,277</b>

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