

Company Registration Number: 08075785 (United Kingdom)

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

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**THE WHITE HORSE FEDERATION  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	I Cooke S Marston (resigned 15 December 2016) L Soden (resigned 4 September 2016) S McMurtrie (appointed 1 September 2016) F Hammans (appointed 1 September 2016)
<b>Trustees</b>	N Capstick OBE, Chief Executive Officer <sup>2</sup> L Costello OBE, Director of Education (resigned 7 April 2017) M Collins, Vice Chair of Board <sup>2,3</sup> S Hagan, Chair of Finance Committee (resigned 6 October 2017) <sup>1</sup> C Hopton, Chair of Risk & Audit Committee <sup>2</sup> F Hammans, Chair of Pay & Remuneration Committee <sup>4</sup> R Marsh, Chairman <sup>4</sup> Lt Col R Page (appointed 1 September 2016) <sup>1,2</sup> S McMurtrie (appointed 1 September 2016) <sup>1</sup> P Lender-Swain (appointed 1 September 2016, resigned 31 August 2017)
	1 Finance Committee 2 Audit and Risk Committee 3 Teaching, Learning & Standards Committee 4 Pay and Compensation Committee
<b>Company registered number</b>	08075785
<b>Company name</b>	The White Horse Federation
<b>Principal and registered office</b>	The White Horse Federation Plymouth Street Swindon Wiltshire SN1 2LB
<b>Company secretary</b>	L Haydon
<b>Accounting Officer</b>	N Capstick
<b>Senior Leadership Team</b>	N Capstick, Chief Executive Officer L Costello, Director of Education (resigned 7 April 2017) S Cowley, Director of Teaching & Learning A Capstick, Head of Teaching & Learning J Costello, Commercial Director (resigned 5 May 2017) S Brimfield, HR Director I Jones, COO

**THE WHITE HORSE FEDERATION  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Independent auditors** Bishop Fleming Bath Limited  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

**Bankers** Lloyds Bank plc  
5 High St  
Swindon  
SN1 3EN

**Solicitors** Knights 1759  
Midland House  
West Way  
Botley  
Oxford  
OX2 0PH

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Federation operates 13 primary, 3 secondary, 3 special schools in Swindon, Wiltshire, Gloucestershire and Oxfordshire. In addition, the Federation runs two primary Teaching Schools and one Secondary teaching school. The Federation's Academies have a combined pupil capacity of 8,750 (including Nursery) and had a roll of 7,341 (including Nursery) in the school census in June 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Federation is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Federation.

The Charitable Company is known as The White Horse Federation. N Capstick (Chief Executive Officer) is a trustee.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' Liability**

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

**Trustees' Indemnities**

Details of insurance cover is detailed in Note 13 to the Accounts.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer (CEO). Subject to remaining eligible to be a particular type of Trustees, any Trustees may be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Federation's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other necessary documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies, however as the Trust continues to grow The White Horse Federation (TWHF) are looking to develop the training for Trustees & Local Governing Boards (LBGs) to a more bespoke offer. New Trustees meet with the Managing Trustees and the Chair of Trustees to discuss the strategic direction of the organisation and to go through roles and responsibilities. The professional behaviours of Trustees are also discussed and Our Little Green Book is shared.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Organisational Structure**

The organisational structure has steadily evolved over the year, moving from a single Governing Body to a streamlined Board of Trustees and the introduction of Local Boards of Governors.

The Board of Trustees meets four times a year including a strategy away day. The Board establishes an overall framework for the governance of the Federation and determines membership, terms of reference and procedures of sub committees of responsibility and other groups. It may receive written and verbal reports including policies from the sub committees for ratification. It monitors the activities of these Trustees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

During the year the following sub committees provided oversight to the Board in the following areas of the Federation:

- Finance
- Audit and Risk, including Health & Safety, Child Protection and Safeguarding, Premises & Strategy
- Teaching, Learning and Standards
- Pay and Remuneration including HR resources and Staffing

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Federation and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the CEO and Clerk to the Federation, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Federation by the use of budgets and other data, and making major decisions about the direction of the Federation, capital expenditure and staff appointments.

The Members and Board of Trustees have devolved responsibility for day to day operational management of the Federation to the CEO. The CEO implements the policies laid down by the Trustees and reports back to them on performance.

The Federation has a leadership structure which consists of the Members, Trustees, The Senior Leadership Team (SLT) and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT has evolved through the year and as at year end consisted of CEO, Primary Director, Secondary Director (1st September 2017), Chief Operating Officer (COO), HR Director and Head of Teaching and Learning. The SLT controls the Federation at an operational level, implementing the policies laid down by the Trustees and reporting back to them. The CEO, COO and Chair of Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line within the Scheme of Delegation. The CEO, Director of Teaching and Learning and Secondary Director are responsible for the appointment of Teaching and Teaching Support in line with the Scheme of Delegation. The COO is responsible for non-teaching support working closely with functional leads. Senior role appointments always include a Trustee on the interview panel.

**THE WHITE HORSE FEDERATION  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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At the 31 August 2017 the Federation comprised of the following schools:

Primary Schools	-	Croft, Drove, Haydon Wick, Mountford Manor, Moredon, Rodbourne Cheney, Tregoze, Zouch, Gorse Hill, Southwold, West Kidlington, Southbroom, Gagle Brook
Secondary Schools	-	Ridgeway Secondary and Sixth Form College, Gloucester Academy, Devizes Secondary and Sixth Form College
Special Schools	-	Peak, Greenfield, Nyland

The Federation also operates two Primary focused Teaching Schools and the secondary focused Swindon School Centred Initial Teacher Training (SCITT).

The CEO, Dr Nicholas Capstick, is the Accounting Officer.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Federation. There are no sponsors or formal Parent Teacher Associations (PTA) associated with the Federation. PTA organisations exist in some of the schools within the Federation

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Federation is to operate as a focused Multi Academy Trust for the benefit of young people and to advance the performance, development, delivery and maximise progress and attainment in all schools operating within the Federation. To enable these objectives to be delivered the key aims of Federation are:

- Continue to raise the standard of educational attainment and achievement of all pupils.
- Provide a broad and balanced curriculum, including extra curricular activities.
- Develop pupils as more effective learners.
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- Ensure Principals of school are focused on Teaching and Learning outcomes and not administration.
- Provide value for money for the funds expended.
- Fulfil the roles of Teaching Schools so it can drive improvements through Federation schools and the broader community. Maintain close links with industry and commerce.
- Develop the Federation's capacity to manage change, and
- Conduct the Federation's business in accordance with the highest standards of integrity, probity and openness.

At The White Horse Federation we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Federation is a community in which children, staff and parents should be part of a happy and caring environment.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Federation's aims and objectives and in planning its future activities.

The Federation aims to advance for the public benefit, education in Swindon, Wiltshire, Gloucester and Oxfordshire and the surrounding area. In particular, but without prejudice to the generality of the foregoing by establishing, managing and developing schools, offering a broad curriculum.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**STRATEGIC REPORT**

**Achievements and Performance**

The Federation has a clear vision and growth strategy focused on the development of four mature hubs in the South West each including a mix of Secondary, Primary and Special schools. Development in these hubs of a matrix functional infrastructure whose sole purpose is to support school performance underpins the growth strategy. The strategic vision focuses on three key strands and key achievements 2016/2017 within of these areas include:

1. Improve Performance in Current Schools

- SAT results were excellent with 80% of primaries outperforming the national benchmark and the other schools close and the MAT recorded positive progress and attainment for Pupil Premium children.
- Mountford Manor recorded an impressive 42% point increase in combined KS2 results and unvalidated data suggests that this school could be in the top 5% of all Primary schools in terms of annual increase in school improvement standards.
- Ofsted report for Zouch recorded Good, two years after joining the Federation and following a number of years of being Grade 4 "Inadequate".
- 83% of current schools at good or outstanding and remaining ones only recently joined the Federation.
- Improved GCSE and A level attainment results in all secondary schools during a period of exam turbulence and regime change in terms of curriculum and assessment procedures.

2. Improve, Develop and grow capability of volume capacity and Staff

- Skills audit of trustees was conducted to ensure a fitness for purpose and a strengthening before growth was undertaken.
- Dr Capstick continues to be a member of The Regional Schools Commission for the South West and has supported 12 Local Authorities and more than 50 schools in developing their Academy provision. He continues to lead conferences and act as key note speaker for both national and regional conferences.
- Consolidation of accounting systems across the Federation positioning the MAT for future growth.
- Teaching School has trained over 100 student teachers in the last 12 months.

3. Growth of new schools

- Successful On boarding and Integration of 1 primary school, 1 infant school and 1 secondary .
- Pipeline of new schools joining subject to due diligence and supporting the communicated strategy.
- Clear and robust Due Diligence process for evaluating each project and its potential fit to the Federation.

The central School Improvement organisation, allied with the support from schools as well as the Teaching, Learning and Standards committee, are responsible for regular review of results and embedding action plans to drive performance. Performance of the schools is listed in the tables below across the various Key Stages.



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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

<b>KS1 and KS2</b>	<b>KS1 Reading</b>	<b>KS1 Writing</b>	<b>KS1 Maths</b>	<b>KS1 Phonics</b>	<b>KS2 - Combined R / W / M</b>
National	76%	68%	80%	81%	61%
Croft	85%	78%	92%	95%	-
Drove	76%	74%	81%	85%	56%
Gorse Hill	78%	67%	81%	90%	68%
Haydon Wick	82%	74%	79%	85%	78%
Moredon	76%	72%	81%	88%	83%
Mountford Manor	62%	59%	66%	77%	73%
Rodbourne	87%	80%	90%	90%	69%
Southbroom Infants	65%	57%	63%	80%	-
Southwold	78%	68%	70%	86%	60%
Tregoze	80%	70%	83%	90%	77%
West Kidlington	69%	58%	71%	89%	53%
Zouch	81%	69%	75%	92%	67%

<b>KS4 and KS5</b>	<b>A8</b>	<b>P8</b>	<b>5-9 Basics</b>	<b>KS5 VA - A'level</b>	<b>KS5 VA - Vocational</b>
Devizes	3.80	-0.70	33%	0.08	-0.20
Gloucester Academy	3.20	-0.30	19%	0.24	-0.34
Ridgeway	5.10	0.23	53%	0.44	0.05

During the year, the Federation completed work on a number of projects secured via SCA capital grants and some CIF funding and delivered in budget. Major Projects currently underway include

- Devizes roof replacement in certain areas and Fire Alarm replacement. These are being funded by School Condition Allocation (SCA).
- Boiler replacements.
- Finalisation of CIF roofing at Gorse Hill .
- New Modular build at West Kidlington. Funding in part from the LA but the federation will be investing part of SCA into the facility.

**Key Performance Indicators**

The White Horse Federation use a number of benchmarks to evaluate performance and drive budgetary control and monitoring. These include Pupil Teacher Ratio, Teacher to Support Staff Ratios, Average Salaries and Non Salary Spend ratios. As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 7,341 an increase of 1,642 over 2016, of which 1,508 relate to pupils at schools that joined the Federation during the financial year. It is anticipated that this number will continue to rise, through individual school growth and new schools joining the Federation.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Federation 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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Federation's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Federation also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Federation's accounting policies.

During the year the Federation recorded a deficit of £xxxx as driven by the investment to support future growth and results of new schools joining that are in process of transition and in certain cases restructure.

The table below identifies a summary of the underlying operational performance for the Federation ignoring the impact of pension adjustments and transfers in during the period. .

**Operational View**

	2017	2016
£'000's		
<b>Income in period</b>	<b>37,529</b>	<b>30,795</b>
Expenditure:		
Staff costs	29,784	23,062
Other	8,065	8,468
<b>Total</b>	<b>37,849</b>	<b>31,530</b>
<b>Operational Management surplus/(loss) in period</b>	<b>(320)</b>	<b>(735)</b>
Capital expenditure movement from current and prior year income streams	482	352
<b>Total surplus/(loss) including capital movements</b>	<b>(802)</b>	<b>(1,087)</b>

At 31 August 2017 the net book value of fixed assets was £79,882,772 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Federation.

Land, buildings and other assets were transferred to the Federation upon conversion of new Academies during the year. Land and buildings within these transfers on conversion were valued at £21,493,641. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Federation has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 25 to the financial statements. The defined benefit pension scheme reserve has a negative balance driven by the Local Government Pension Scheme, which is underwritten by the Government.

**Reserves Policy**

The Trustees review the reserve levels of the Federation annually with a detailed review at the Finance Committee. This review encompasses the nature of income and expenditure streams by regional location, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Federation, the uncertainty over future income streams and other key risks identified during the risk review.

**THE WHITE HORSE FEDERATION  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees monitor the level of reserves through the Finance Committee and have a policy to maintain a free cash reserve at a level that should be approximately £1.5m representing one month's charitable cash activities resources expended within the largest hub of activity which covers the fixed running costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As at the end of August 2017, with the level of cash reported there is headroom to give the Trustees comfort that the Federation is operating within the within its reserves policy.

**Investment Policy**

During the coming year the Trustees will continue to review the investment of free reserves.

**Principal Risks And Uncertainties**

The Members and Trustees have implemented a system to assess risks that the Federation faces, especially in the operational areas 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 Federation grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The principal risks and uncertainties facing the Federation are as follows:

**Educational** - the risk in this arena centres on the Federation's ability to ensure that Teaching and Learning across all Key Stages and Early Years are in line with, or above, national standards. A detailed assessment of drivers at each key stage of assessment is maintained and a heat map for each school is available allowing for focused action and sharing of best practice within the Federation.

**Financial** - the Federation has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Federation's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is 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. Significant pressure is also expected in area of pension payments.

The freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

**Regulation and Legislation** - the risk in this area arises from failure to effectively manage the Federation's finances and internal controls in compliance with regulations and legislation. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks including reliance on Internal Audit.

Operational Functions – To mitigate Trustees through the Risk Register monitor key risks in areas of Estates, IT and HR on a regular basis.

**Strategy & Growth** - the Trustees review the Federation's strategy on a regular basis and monitor its implementation at each meeting. Due diligence assessment and on boarding implications of new schools are also regularly reviewed and assessed.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Federation and its Trustees do not act as the Custodian Trustees of any other Charity.

**THE WHITE HORSE FEDERATION  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

**For Disabled Employees**

The White Horse Federation is an Equal Opportunities Employer, and works in conjunction with the Equality Act 2010 and supports disabled people including those with long term health conditions, learning disabilities and so called "hidden" disabilities such as dyslexia. If the employee confirms that they have a disability we can make reasonable adjustments to ensure that any selection processes including the interview are fair and equitable.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on ~~14/12/2017~~ and signed on the board's behalf by:



**R Marsh  
Chair of Trustees**

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that The White Horse Federation 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 Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 The White Horse Federation and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Capstick OBE, Chief Executive Officer	6	6
L Costello OBE	3	4
M Collins, Vice Chair of Board	6	6
S Hagan, Chair of Finance Committee	3	6
C Hopton, Chair of Risk & Audit Committee	5	6
F Hammans, Chair of Pay & Remuneration Committee	5	6
R Marsh	5	6
Lt Col R Page	5	6
S McMurtrie	6	6
P Lender-Swain	5	6

**Governance reviews:**

There was a review of the training offered by the Local Authorities and following this the Federation is now looking to develop a more bespoke training offer for Trustees and LBGs. The Federation has bought into National Governors Association memberships for the Trust Board and all LBGs and have also subscribed to GovernorHub which is a secure website tool to manage and support the Trust and LBGs.

A skills and competency audit evaluated the Board's expertise, identified gaps and proactively sought to appoint to the key areas. The Trust appointed Academy Ambassadors and Nurole to seek new Trustees/Members.

The Finance Committee is a sub committee of the main Trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 6 times during the year.

**Attendance at meetings in the year was as follows:**

Trustee	Meetings attended	Out of a possible
S Hagan, Chair of Finance Committee	6	6
S McMurtrie	6	6

Christopher Hopton remains the chair of the Audit & Risk Committee. The purpose of the Audit & Risk Committee is to oversee the financial reporting process, including audit, through the year and at year end. In addition the Committee oversees the internal control and risk management framework for the Federation. The Risk & Audit Committee have formally met 5 times during the year.

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**GOVERNANCE STATEMENT (continued)**

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Hopton	5	5
N Capstick	5	5
Lt Col R Page	4	5
M Collins	4	5

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the CEO has responsibility for ensuring that the Federation 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 Federation's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

**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 Federation 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.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Federation's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Federation'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 Board of Trustees;
- regular reviews by the Finance 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint RSM as internal auditor.

**THE WHITE HORSE FEDERATION  
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**GOVERNANCE STATEMENT (continued)**

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RSM are the Internal Audit Function for the Federation and report regularly to the Audit & Risk Committee. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. On an annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

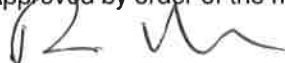
**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the CEO 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Federation 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 Finance 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 Board of Trustees on 14/12/2017 and signed on their behalf, by:



**R Marsh  
Chair of Trustees**

**N Capstick  
Accounting Officer**



**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The White Horse Federation I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Board of Trustees 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. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



**N Capstick  
Accounting Officer**

14/12/2017



**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of The White Horse Federation and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees 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 Trustees 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 ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Board of Trustees and signed on its behalf by:



**R Marsh**  
Chair of Trustees

Date: 14 / 12 / 2017

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHITE HORSE FEDERATION**

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**OPINION**

We have audited the financial statements of The White Horse Federation for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Federation'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 Federation's shareholders 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 Federation and its shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Federation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Federation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHITE HORSE FEDERATION**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Federation and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Federation 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Federation's or to cease operations, or have no realistic alternative but to do so.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHITE HORSE FEDERATION**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Simon Morrison FCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 18/12/2017

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE WHITE HORSE FEDERATION AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 4 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The White Horse Federation during the year 1 September 2016 to 31 August 2017 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 The White Horse Federation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The White Horse Federation and the ESFA 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 The White Horse Federation and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE WHITE HORSE FEDERATION'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The White Horse Federation's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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 Federation's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE WHITE HORSE FEDERATION AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 18/12/2017

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Acquired from other Academy						
Trusts	2	-	(2,509,608)	15,498,462	12,988,854	1,533,734
Transfer on conversion	2	117,823	(1,107,000)	6,090,360	5,101,183	3,464,000
Other donations and capital grants	2	318,821	2,051,439	20,350	2,390,610	2,038,529
Charitable activities	5	2,393,865	34,300,432	-	36,694,297	29,953,188
Other trading activities	3	103,949	-	-	103,949	117,463
Investments	4	13,009	-	-	13,009	16,420
<b>TOTAL INCOME</b>		<b>2,947,467</b>	<b>32,735,263</b>	<b>21,609,172</b>	<b>57,291,902</b>	<b>37,123,334</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		2,772,118	36,426,352	2,586,828	41,785,298	34,036,891
<b>TOTAL EXPENDITURE</b>	6	<b>2,772,118</b>	<b>36,426,352</b>	<b>2,586,828</b>	<b>41,785,298</b>	<b>34,036,891</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	19	175,349	(3,691,089)	19,022,344	15,506,604	3,086,443
		-	(2,191,992)	2,191,992	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		175,349	(5,883,081)	21,214,336	15,506,604	3,086,443
Actuarial gains/(losses) on defined benefit pension schemes	25	-	6,815,000	-	6,815,000	(4,050,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>175,349</b>	<b>931,919</b>	<b>21,214,336</b>	<b>22,321,604</b>	<b>(963,557)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		2,275,492	(11,687,027)	58,668,436	49,256,901	50,220,458
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,450,841</b>	<b>(10,755,108)</b>	<b>79,882,772</b>	<b>71,578,505</b>	<b>49,256,901</b>

The notes on pages 24 to 56 form part of these financial statements.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER: 08075785**

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>79,882,772</b>		58,668,436
<b>CURRENT ASSETS</b>					
Debtors	15	<b>2,662,579</b>		1,813,052	
Investments	16	<b>2,500,000</b>		3,000,000	
Cash at bank and in hand		<b>2,626,959</b>		3,078,888	
			<b>7,789,538</b>	7,891,940	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(4,474,482)</b>		(3,712,640)	
<b>NET CURRENT ASSETS</b>			<b>3,315,056</b>		4,179,300
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>83,197,828</b>		62,847,736
<b>CREDITORS:</b> amounts falling due after more than one year	18		<b>(1,189,323)</b>		(1,292,835)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>82,008,505</b>		61,554,901
Defined benefit pension scheme liability	25		<b>(10,430,000)</b>		(12,298,000)
<b>NET ASSETS</b>			<b>71,578,505</b>		49,256,901
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	19	<b>(325,108)</b>		610,973	
Fixed asset funds	19	<b>79,882,772</b>		58,668,436	
Restricted funds excluding pension liability		<b>79,557,664</b>		59,279,409	
Pension reserve		<b>(10,430,000)</b>		(12,298,000)	
Total restricted funds			<b>69,127,664</b>		46,981,409
Unrestricted funds	19		<b>2,450,841</b>		2,275,492
<b>TOTAL FUNDS</b>			<b>71,578,505</b>		49,256,901

The financial statements on pages 21 to 56 were approved by the Trustees, and authorised for issue, on 14/12/2017 and are signed on their behalf, by:



**R Marsh  
Chair of Trustees**

The notes on pages 24 to 56 form part of these financial statements.



**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	<u>(742,657)</u>	<u>124,799</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		13,009	16,420
Proceeds from the sale of tangible fixed assets		-	500
Purchase of tangible fixed assets		<b>(2,149,637)</b>	<b>(1,908,141)</b>
Capital grants from DfE/ESFA		<b>1,779,078</b>	1,260,824
<b>Net cash used in investing activities</b>		<u><b>(357,550)</b></u>	<u>(630,397)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		176,257	-
Cash transferred on conversion to an academy trust		-	34,512
<b>Net cash provided by financing activities</b>		<u><b>176,257</b></u>	<u>34,512</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(923,950)</b>	<b>(471,086)</b>
Cash and cash equivalents brought forward		<u><b>6,078,888</b></u>	<u>6,549,974</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u><b>5,154,938</b></u></u>	<u><u>6,078,888</u></u>

The notes on pages 24 to 56 form part of these financial statements.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 GENERAL INFORMATION**

The White Horse Federation is a company limited by guarantee, incorporated in England and Wales. The registered office is Plymouth Street, Swindon, Wiltshire, SN1 2LB.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The White Horse Federation constitutes a public benefit entity as defined by FRS 102.

**1.3 GOING CONCERN**

The Trustees 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 Federation to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

**1.4 FUND ACCOUNTING**

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

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 with restrictions imposed by the funder and include grants from the Department for Education.

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods and services.

**1.6 EXPENDITURE**

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

Expenditure on charitable activities are costs incurred on the Federation's educational operations, including support costs and those costs relating to the governance of the Federation apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Freehold buildings	-	straight line over 50 years
Long term leasehold land	-	straight line over 125 years
Long term leasehold buildings	-	straight line over 50 years
Motor vehicles	-	straight line over 5 years
Fixtures and fittings	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

**1.8 OPERATING LEASES**

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

**1.9 TAXATION**

The Federation 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 Federation 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.

**THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.11 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.12 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Federation anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.13 FINANCIAL INSTRUMENTS**

The Federation only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Federation and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Federation's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Federation's wholly owned subsidiary are held at face value less any impairment.

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**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Federation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.15 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Southbroom Infants School and West Kidlington Primary School and Nursery to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings on conversion of new Academies to the Federation have been included in the accounts at an estimation of their value at the date of conversion. In determining these values the Trustees have referred to the valuations of land and buildings provided by the ESFA for other local schools as at 31 March 2016, which were performed using the Depreciated Replacement Cost method.

Pension and other assets and liabilities have been valued by Hymans Robertson LLP.

During the year, Devizes School transferred from a Single Academy Trust to join the White Horse Federation. This transfers have been treated on the same basis as a conversion from a local authority as outlined above.

Further details of the transaction are set out in note 23.

**1.16 PFI AGREEMENT**

The Moredon Primary School occupies buildings which are subject to a PFI agreement. The Federation pays revenue contributions in respect of facilities management. The contract will expire in 2030. The Federation does not have any rights or obligations of ownership in respect of these assets, and therefore they are not included on the Federation's Balance sheet. The revenue payment for service is included in the Statement of Financial Activities.

**1.17 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at year end are disclosed in Note 30.

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**1. ACCOUNTING POLICIES (continued)**

**1.18 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**2. INCOME FROM DONATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Acquired from other Academy Trusts	-	(2,509,608)	15,498,462	12,988,854	1,533,734
Transfer on conversion	117,823	(1,107,000)	6,090,360	5,101,183	3,464,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Donations	318,821	344,186	20,350	683,357	707,919
Capital Grants	-	1,707,253	-	1,707,253	1,330,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
subtotal	318,821	2,051,439	20,350	2,390,610	2,038,529
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	436,644	(1,565,169)	21,609,172	20,480,647	7,036,263
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	256,351	1,017,638	5,762,274	7,036,263	
	<hr/>	<hr/>	<hr/>	<hr/>	



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**3. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Lettings	103,878	-	103,878	117,325
External Catering	71	-	71	138
	<u>103,949</u>	<u>-</u>	<u>103,949</u>	<u>117,463</u>
<i>Total 2016</i>	<u>117,463</u>	<u>-</u>	<u>117,463</u>	

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2017 £</b>	<b>Restricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Bank interest	13,009	-	13,009	16,420
	<u>16,420</u>	<u>-</u>	<u>16,420</u>	
<i>Total 2016</i>	<u>16,420</u>	<u>-</u>	<u>16,420</u>	

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**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	944,734	33,269,012	34,213,746	27,649,495
Nursery	827,271	-	827,271	574,870
Support for other schools	414,290	1,031,420	1,445,710	1,520,359
Leisure facilities	207,570	-	207,570	208,464
	<u>2,393,865</u>	<u>34,300,432</u>	<u>36,694,297</u>	<u>29,953,188</u>
<i>Total 2016</i>	<u>1,943,884</u>	<u>28,009,304</u>	<u>29,953,188</u>	

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	26,977,623	26,977,623	22,411,633
Start up Grants	-	-	-	58,745
Other DfE/ESFA grants	-	2,738,581	2,738,581	2,237,870
	<u>-</u>	<u>29,716,204</u>	<u>29,716,204</u>	<u>24,708,248</u>
<b>Other Government grants</b>				
High Needs	-	2,349,094	2,349,094	1,397,647
Other government revenue grants	-	1,127,714	1,127,714	760,800
	<u>-</u>	<u>3,476,808</u>	<u>3,476,808</u>	<u>2,158,447</u>
<b>Other funding</b>				
Internal catering income	648,825	-	648,825	561,029
Income for hosting trainee teachers	-	-	-	25,220
Sales to students	2,722	-	2,722	41,680
Other	293,187	76,000	369,187	154,871
	<u>944,734</u>	<u>76,000</u>	<u>1,020,734</u>	<u>782,800</u>
	<u>944,734</u>	<u>33,269,012</u>	<u>34,213,746</u>	<u>27,649,495</u>
<i>Total 2016</i>	<u>773,899</u>	<u>26,875,596</u>	<u>27,649,495</u>	

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**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education					
Direct costs	22,991,419	1,708,096	2,822,447	27,521,962	22,397,892
Support costs	5,286,736	2,191,305	4,088,681	11,566,722	9,124,490
Nursery					
Direct costs	802,799	56,238	20,856	879,893	614,591
Support costs	-	298	3,565	3,863	2,130
Support for other schools					
Direct costs	512,340	82,743	797,216	1,392,299	1,288,592
Support costs	48,342	13,516	130,916	192,774	396,138
Leisure facilities					
Direct costs	142,467	11,333	23,520	177,320	153,690
Support costs	-	40,936	9,529	50,465	59,368
	<b>29,784,103</b>	<b>4,104,465</b>	<b>7,896,730</b>	<b>41,785,298</b>	<b>34,036,891</b>
<i>Total 2016</i>	<u>23,303,109</u>	<u>2,861,355</u>	<u>7,872,427</u>	<u>34,036,891</u>	

**7. DIRECT COSTS**

	Education £	Nursery £	Support for other schools £	Leisure facilities £	Total 2017 £	Total 2016 £
Pension finance costs	326,000	-	-	-	326,000	167,143
Educational supplies	1,090,116	16,700	791,577	-	1,898,393	1,697,534
Examination fees	246,400	-	-	-	246,400	231,898
Staff development	229,812	105	3,882	-	233,799	360,874
Other costs	555,830	4,051	492	23,520	583,893	500,071
Supply teachers	430,615	-	1,468	-	432,083	321,293
Technology costs	148,468	-	1,265	-	149,733	113,578
PFI charges	225,821	-	-	-	225,821	246,072
Wages and salaries	17,573,333	593,443	397,569	126,020	18,690,365	15,486,988
National insurance	1,554,578	76,494	35,537	4,037	1,670,646	1,195,733
Pension cost	3,432,893	132,862	77,766	12,410	3,655,931	2,661,489
Depreciation	1,708,096	56,238	82,743	11,333	1,858,410	1,472,092
	<b>27,521,962</b>	<b>879,893</b>	<b>1,392,299</b>	<b>177,320</b>	<b>29,971,474</b>	<b>24,454,765</b>
<i>Total 2016</i>	<u>22,397,892</u>	<u>614,591</u>	<u>1,288,592</u>	<u>153,690</u>	<u>24,454,765</u>	

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**8. SUPPORT COSTS**

	Education £	Nursery £	Support for other schools £	Leisure facilities £	Total 2017 £	Total 2016 £
Pension finance costs	-	-	-	-	-	119,857
Staff development	-	-	-	-	-	13,847
Other costs	12,130	-	-	3,969	16,099	15,591
Recruitment and support	231,042	-	12,915	-	243,957	332,437
Maintenance of premises and equipment	427,226	6	1,193	3,989	432,414	732,985
Cleaning	300,246	45	2	5,000	305,293	215,311
Rent and rates	274,781	-	-	-	274,781	204,996
Energy costs	463,019	-	-	30,000	493,019	409,315
Insurance	182,189	-	-	-	182,189	180,350
Security and transport	104,809	-	-	-	104,809	137,050
Catering	1,411,469	2,945	9,172	1,395	1,424,981	1,066,881
Technology costs	513,720	-	252	-	513,972	454,397
Office overheads	249,308	620	2,806	4,165	256,899	242,761
Legal and professional	1,336,501	-	105,771	-	1,442,272	1,192,804
Bank interest and charges	1,593	-	-	-	1,593	34,318
(Profit) / Loss on disposal of fixed assets	-	-	-	-	-	39
Governance costs	58,050	-	-	-	58,050	31,498
Wages and salaries	3,861,201	-	42,836	-	3,904,037	2,823,311
National insurance	271,683	-	1,367	-	273,050	175,403
Pension cost	1,153,852	-	4,139	-	1,157,991	638,892
Depreciation	713,903	247	12,321	1,947	728,418	560,083
	<b>11,566,722</b>	<b>3,863</b>	<b>192,774</b>	<b>50,465</b>	<b>11,813,824</b>	<b>9,582,126</b>
<i>Total 2016</i>	9,124,490	2,130	396,138	59,368	9,582,126	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>2,586,828</b>	2,032,175
Auditors' remuneration - audit	<b>31,500</b>	29,500
Auditors' remuneration - non audit	<b>24,400</b>	6,775
PFI Charges	<b>225,821</b>	246,072
Operating lease rentals	<b>89,876</b>	71,257
	<b>=====</b>	<b>=====</b>

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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	22,416,620	18,158,976
Social security costs	1,943,696	1,371,136
Operating costs of defined benefit pension schemes	4,813,922	3,300,381
	<u>29,174,238</u>	<u>22,830,493</u>
Supply teacher costs	432,083	321,293
Staff restructuring costs	177,782	151,323
	<u>29,784,103</u>	<u>23,303,109</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2016 £Nil). The statutory redundancy payments individually during the year were: £45,859, £33,532, £25,910, £22,901, £17,421, £9,377, £8,894, £3,010, £2,910, £2,676, £1,900, £1,856 and £1,526.

The average number of persons employed by the Federation during the year was as follows:

	2017 No.	2016 No.
Teachers	395	297
Educational support	696	344
Administration and other support	117	153
Management	78	52
	<u>1,286</u>	<u>846</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	321	303
Educational Support	340	219
Administration and other support	84	117
Management	58	18
	<u>803</u>	<u>657</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	9	5
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	2
In the band £130,001 - £140,000	0	1
In the band £140,001 - £150,000	1	1
In the band £160,001 - £170,000	1	0

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**10. STAFF COSTS (continued)**

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £201,942 (2016: £219,297).

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee compensation (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,290,003 (2016: £1,085,648). 2016 included some additional roles listed within key management. The White Horse Federation run a robust review of executive level remuneration and this falls under the remit of the pay and remuneration committee.

**11. CENTRAL SERVICES**

The Federation has provided the following central services to its academies during the year:

- school improvement
- education support services
- human resources
- financial services and compliance form a central structure
- long range financial planning and analysis
- estates management
- other services as arising, including new school integration and strategic growth

The aim through the matrix structure is to ensure the Principals focus on teaching and learning while services are commissioned from the functional teams. To this end the budget process is key on developing clear cost centre structures at each school which are then monitored monthly including pupil premium activities. The MAT operates a single funding agreement and as such income is controlled at MAT level and allocated to schools to address approved cost and resource structures as well as support Federations wide School Improvement initiatives.

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Federation in respect of their role as Trustees.

The value of staff Trustees remuneration and pension contributions in the year fell into £5,000 bandings as follows: N Capstick: Remuneration £145,000 - £150,000 (2016: £140,000 - £145,000), Employer's pension contributions £25,000 - £30,000 (2016: £20,000 - £25,000) and L Costello: Remuneration £85,000 - £90,000 (2016: £135,000 - £140,000), Employer's pension contributions £15,000 - £20,000 (2016: £20,000 - £25,000).

During the year retirement benefits were accruing to 2 Trustees (2016: 2) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £1,661 (2016: £7,014) were reimbursed to 2 Trustees (2016: 3).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees 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 annual total of £5,000,000 in aggregate. The cost for the year ended 31 August 2017 was £2,110 (2016: £2,110).



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**14. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Long term leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2016	21,024,368	37,844,650	112,215	2,579,773	1,589,052	63,150,058
Additions	88,835	1,653,016	9,495	219,644	178,647	2,149,637
Acquisitions	15,403,281	6,090,360	-	98,665	59,221	21,651,527
At 31 August 2017	<u>36,516,484</u>	<u>45,588,026</u>	<u>121,710</u>	<u>2,898,082</u>	<u>1,826,920</u>	<u>86,951,222</u>
<b>DEPRECIATION</b>						
At 1 September 2016	787,966	1,588,201	59,383	1,017,074	1,028,998	4,481,622
Charge for the year	561,032	953,921	27,730	538,371	505,774	2,586,828
At 31 August 2017	<u>1,348,998</u>	<u>2,542,122</u>	<u>87,113</u>	<u>1,555,445</u>	<u>1,534,772</u>	<u>7,068,450</u>
<b>NET BOOK VALUE</b>						
At 31 August 2017	<u>35,167,486</u>	<u>43,045,904</u>	<u>34,597</u>	<u>1,342,637</u>	<u>292,148</u>	<u>79,882,772</u>
At 31 August 2016	<u>20,236,402</u>	<u>36,256,449</u>	<u>52,832</u>	<u>1,562,699</u>	<u>560,054</u>	<u>58,668,436</u>

Land and buildings on conversion and acquisition of new Academies to the Federation have been included in the accounts at an estimation of their value at the date of conversion. In determining these values the Trustees have referred to the valuations of land and buildings provided by the ESFA for other local schools which were performed using the Depreciated Replacement Cost method.

Included in freehold land and buildings is £6,789,180 (2016: £2,617,180) of land, which is not depreciated.

**15. DEBTORS**

	2017 £	2016 £
Trade debtors	487,932	93,537
VAT repayable	598,432	201,254
Other debtors	68,775	15,191
Prepayments and accrued income	1,507,440	1,503,070
	<u>2,662,579</u>	<u>1,813,052</u>

**16. CURRENT ASSET INVESTMENTS**

	2017 £	2016 £
Deposit accounts	<u>2,500,000</u>	<u>3,000,000</u>

The above deposit accounts have various terms between 3 months and 1 year. Access to funds can be obtained within a shorter period on closure of the accounts at the cost on the interest accrued to date.

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

	2017 £	2016 £
Other ESFA loans	379,540	151,258
Trade creditors	855,225	665,014
Other taxation and social security	539,538	463,956
Other creditors	868,257	541,420
Accruals and deferred income	1,831,922	1,890,992
	<u>4,474,482</u>	<u>3,712,640</u>
	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2016	595,004	679,322
Resources deferred during the year	550,089	595,004
Amounts released from previous years	(595,004)	(679,322)
	<u>550,089</u>	<u>595,004</u>
Deferred income at 31 August 2017	<u>550,089</u>	<u>595,004</u>

At the balance sheet date the Federation was holding ESFA and Local Authority grants received in advance for the 2017/18 academic year.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017 £	2016 £
Other ESFA loans	<u>1,189,323</u>	<u>1,292,835</u>
Included within the above are amounts falling due as follows:		
	2017 £	2016 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Other ESFA loans	<u>564,355</u>	<u>322,357</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other ESFA loans	<u>448,863</u>	<u>856,211</u>
<b>OVER FIVE YEARS</b>		
Other ESFA loans	<u>176,105</u>	<u>114,267</u>

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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	<u>176,105</u>	<u>114,267</u>

The loans included above are due to the ESFA. £1,009,981 (2016: £1,160,065) relates to funding provided for pupil number adjustments repayable and £503,386 (2016: £253,288) was received for Condition Improvement Fund projects. A repayment schedule for these loans has been agreed with the Department for Education and the loans are interest free.

**19. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	<u>2,275,492</u>	<u>2,947,467</u>	<u>(2,772,118)</u>	<u>-</u>	<u>-</u>	<u>2,450,841</u>

**THE WHITE HORSE FEDERATION  
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**19. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant	(248,017)	26,977,623	(27,648,844)	(482,457)	-	(1,401,695)
High needs	-	2,349,094	(2,349,094)	-	-	-
Pupil premium	-	1,747,414	(1,702,576)	-	-	44,838
16-19 Allocation	-	17,268	(17,268)	-	-	-
UIFSM	-	537,734	(537,734)	-	-	-
School improvement grant	-	145,500	-	-	-	145,500
Start Up Grants	-	16,430	(16,430)	-	-	-
Primary Behaviour Support Service	-	126,334	(126,334)	-	-	-
Child and Adolescent Mental Health Services	-	100,482	(100,482)	-	-	-
Pupil referral unit	-	197,000	(197,000)	-	-	-
Young People Support Service	-	107,051	(85,323)	-	-	21,728
PE sports grant	52,782	125,936	(138,491)	-	-	40,227
Teaching School funding	28,311	1,031,420	(1,035,579)	-	-	24,152
School Condition Allocation	228,608	720,492	-	(543,335)	-	405,765
Condition Improvement Fund	500,961	-	-	(371,408)	-	129,553
Devolved Formula Capital	-	167,815	(36,954)	(130,861)	-	-
OCC Capital Grant	-	900,000	-	(663,931)	-	236,069
OCC - Opening Grant	-	66,000	(66,000)	-	-	-
Other restricted funds	48,328	1,036,670	(1,056,243)	-	-	28,755
Pension reserve	(12,298,000)	(3,635,000)	(1,312,000)	-	6,815,000	(10,430,000)
	<u>(11,687,027)</u>	<u>32,735,263</u>	<u>(36,426,352)</u>	<u>(2,191,992)</u>	<u>6,815,000</u>	<u>(10,755,108)</u>

**RESTRICTED FIXED ASSET FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	55,611,294	21,588,822	(2,586,828)	-	-	74,613,288
Fixed assets purchased from GAG and other restricted funds	3,057,142	20,350	-	2,191,992	-	5,269,484
	<u>58,668,436</u>	<u>21,609,172</u>	<u>(2,586,828)</u>	<u>2,191,992</u>	<u>-</u>	<u>79,882,772</u>
Total restricted funds	<u>46,981,409</u>	<u>54,344,435</u>	<u>(39,013,180)</u>	<u>-</u>	<u>6,815,000</u>	<u>69,127,664</u>
Total of funds	<u>49,256,901</u>	<u>57,291,902</u>	<u>(41,785,298)</u>	<u>-</u>	<u>6,815,000</u>	<u>71,578,505</u>

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**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General funds	1,973,353	1,740,235	(1,438,096)	-	-	2,275,492
Early Years Single Formula Funding	-	574,870	(574,870)	-	-	-
	<u>1,973,353</u>	<u>2,315,105</u>	<u>(2,012,966)</u>	<u>-</u>	<u>-</u>	<u>2,275,492</u>

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**19. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant	700,308	22,141,412	(22,575,868)	(513,869)	-	(248,017)
High needs	-	1,397,647	(1,397,647)	-	-	-
Pupil premium	76,448	1,541,447	(1,617,895)	-	-	-
16-19 Allocation	-	308,820	(308,820)	-	-	-
UIFSM	-	450,338	(450,338)	-	-	-
Croft Academy set up funding	101,333	-	-	(101,333)	-	-
School improvement grant	255,748	-	(255,748)	-	-	-
Start Up Grants	-	58,745	(58,745)	-	-	-
Primary Behaviour Support Service	-	129,417	(129,417)	-	-	-
Child and Adolescent Mental Health Services	-	87,410	(87,410)	-	-	-
Pupil referral unit	-	124,918	(124,918)	-	-	-
Autism Spectrum Support	-	267,155	(267,155)	-	-	-
PE sports grant	31,603	91,860	(70,681)	-	-	52,782
Teaching School funding School Condition Allocation	123,962	1,133,708	(1,229,359)	-	-	28,311
	-	610,079	-	(381,471)	-	228,608
Condition Improvement Fund	833,439	574,607	(57,732)	(849,353)	-	500,961
Devolved Formula Capital	-	145,924	(145,924)	-	-	-
Trips donations	-	389,939	(389,939)	-	-	-
Other restricted funds	31,782	408,529	(350,115)	(41,868)	-	48,328
Pension reserve	(6,958,000)	(816,000)	(474,000)	-	(4,050,000)	(12,298,000)
	<u>(4,803,377)</u>	<u>29,045,955</u>	<u>(29,991,711)</u>	<u>(1,887,894)</u>	<u>(4,050,000)</u>	<u>(11,687,027)</u>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	51,479,124	5,762,274	(1,630,104)	-	-	55,611,294
Fixed assets purchased from GAG and other restricted funds	1,571,358	-	(402,110)	1,887,894	-	3,057,142
	<u>53,050,482</u>	<u>5,762,274</u>	<u>(2,032,214)</u>	<u>1,887,894</u>	<u>-</u>	<u>58,668,436</u>
Total restricted funds	<u>48,247,105</u>	<u>34,808,229</u>	<u>(32,023,925)</u>	<u>-</u>	<u>(4,050,000)</u>	<u>46,981,409</u>
Total of funds	<u>50,220,458</u>	<u>37,123,334</u>	<u>(34,036,891)</u>	<u>-</u>	<u>(4,050,000)</u>	<u>49,256,901</u>

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

**RESTRICTED FUNDS**

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the schools. The negative carry forward position is as a result of the issues noted at Gloucester Academy and Peak Academy explained on the page 44.

High Needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Pupil premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

16-19 Allocation funding is received from the ESFA for the provision of sixth form learning.

UIFSM (Universal Infant Free School Meals) is received from the ESFA for the provision of free school meals to be supplied to all students up to and including year 2.

Start up grant represents funding from the ESFA to cover costs in converting to an academy trust such as, obtaining legal advice, costs of software licence transfers, HR/TUPE advice, re-branding costs and expenses incurred in setting up the Federation.

School Improvement Grant represents funding received from the ESFA to be spent on providing support to a sponsored school.

Croft Academy set up funding represents funding received from Swindon Borough Council to cover costs in setting up a new academy, not a converter.

Primary Behaviour Support Service is funding received from Swindon Borough Council to support early years and mainstream pupils in their mainstream setting for early intervention and whole school training.

Child and Adolescent Mental Health Service is funding received from the Swindon Borough Council to support the provision of therapy for children who access provision at Nyland.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**19. STATEMENT OF FUNDS (continued)**

Pupil referral unit funding received from Swindon Borough Council is to support 8 pupils for up to 12 weeks in order to be successful in mainstream.

Autism Spectrum Support is received from Swindon Borough Council to provide specialist teachers and facilities to students diagnosed as being on the Autistic Spectrum.

PE sports grant represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Teaching School funding represents funding received from the National College to enable the teaching schools alliance to build the necessary leadership and administrative capacity to undertake its work in leading the alliance.

School Condition Allocation represents funding received from the DfE to fund large capital projects as the Academy Trust deems required.

Condition Improvement Fund represents funding received from the DfE for specific capital projects.

Devolved Formula Capital represents funding received from the ESFA to cover the maintenance and purchase of the Federation's assets.

OCC Capital and opening grants represents funding received from the local authority for urgent repairs to a school roof and other cost incurred on conversion to an academy.

Trip donations represents donation made by parents towards the costs of educational trips during the year.

Other restricted funds represent amounts received from various bodies and includes income under the following initiatives; Graduate Teacher programme, Educational visits, Sponsor capacity funding, Local Authority Pupil Premium and Big Lottery Grant.

Pension reserve - This represents the Federation's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Federation is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the Federation on conversion to an academy.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG or other restricted funding received from the ESFA or other bodies.

**TRANSFERS BETWEEN FUNDS**

The transfer from the restricted fund to the restricted fixed asset fund represents the total capital expenditure from the General Annual Grant and other restricted grants during the year.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Federation was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.



**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
The Croft Primary Academy	<b>263,298</b>	286,555
Devizes School	<b>(338,700)</b>	-
Drove Primary School	<b>448,524</b>	597,483
Gloucester Academy	<b>(168,204)</b>	(322,919)
Gorse Hill Primary School	<b>38,244</b>	494,446
Haydon Wick Primary School	<b>195,770</b>	193,841
Moredon Primary School	<b>387,530</b>	363,208
Mountford Manor Primary School	<b>155,309</b>	141,073
Nyland Special School	<b>(8,345)</b>	12,428
Peak Academy	<b>(410,166)</b>	(457,306)
The Ridgeway School & Sixth Form College	<b>275,336</b>	255,238
Rodbourne Cheney Primary School	<b>283,894</b>	301,748
Southbroom Infant School	<b>116,624</b>	-
Southwold County Primary School	<b>(12,177)</b>	(25,744)
Tregoze Primary School	<b>150,323</b>	143,285
West Kidlington Primary School & Nursery	<b>219,470</b>	-
Zouch Primary School	<b>6,825</b>	6,172
Central Services	<b>522,178</b>	896,958
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>2,125,733</b>	2,886,466
Restricted fixed asset fund	<b>79,882,772</b>	58,668,436
Pension reserve	<b>(10,430,000)</b>	(12,298,000)
	<hr/>	<hr/>
Total	<b>71,578,505</b>	49,256,902
	<hr/> <hr/>	<hr/> <hr/>

The deficit shown for Gloucester Academy stems from the deficit on conversion of circa £900k and has already shown a reduction to £168k. Plans are in place to recover this fully in the next few years and follows a restructure in 2016. The Peak Academy deficit was attributable to lower commissioned places in 2015/16 and a restructure has already been enacted, this will lead to recovery in the coming few years with continued support from the MAT. Southwold County Primary School transferred in the year with a deficit position, this deficit will be recovered in the coming year. Devizes school transferred in to the Federation in the year, this deficit will be recovered in the coming year. Nyland Special School has had historically low reserves and the small deficit will be recovered in the next financial year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
The Croft Primary Academy	662,803	104,670	63,751	136,867	968,091	888,012
Devizes School	2,164,061	574,352	95,210	402,145	3,235,768	-
Drove Primary School	1,885,030	238,880	68,347	227,520	2,419,777	2,555,241
Gagle Brook Primary School	6,500	-	-	4,594	11,094	-
Gloucester Academy	3,461,972	706,538	134,164	1,060,738	5,363,412	6,079,692
Gorse Hill Primary School	1,350,553	182,460	54,975	299,675	1,887,663	900,241
Greenfield Academy	237,901	55,632	8,472	113,895	415,900	474,229
Haydon Wick Primary School	796,775	106,479	30,824	134,146	1,068,224	1,119,636
Moredon Primary School	1,251,167	102,845	56,876	386,030	1,796,918	2,001,683
Mountford Manor Primary School	768,019	106,071	42,385	128,091	1,044,566	1,245,854
Nyland Special School	1,042,576	61,978	40,267	218,191	1,363,012	1,377,853
Peak Academy	606,269	131,744	19,884	207,973	965,870	992,226
The Ridgeway School & Sixth Form College	4,725,535	501,214	250,004	1,370,575	6,847,328	6,839,723
Rodbourne Cheney Primary School	695,903	84,421	52,846	163,909	997,079	1,156,789
Southbroom Infants School	302,354	42,869	7,743	65,754	418,720	-
Southwold County Primary School	1,093,093	146,078	50,363	141,721	1,431,255	649,287
Tregoze Primary School	585,425	74,359	28,143	117,709	805,636	862,053
West Kidlington Primary School & Nursery	447,929	57,539	14,025	80,004	599,497	-
Zouch Primary School	706,671	119,182	52,348	98,780	976,981	1,108,089
Teaching School - Ridgeway	88,396	-	535,742	68,895	693,033	497,016
Teaching School - Central	155,749	48,342	255,359	34,694	494,144	760,668
Central Services	1,414,344	1,889,425	36,665	2,054,068	5,394,502	2,496,424
	<b>24,449,025</b>	<b>5,335,078</b>	<b>1,898,393</b>	<b>7,515,974</b>	<b>39,198,470</b>	<b>32,004,716</b>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	79,882,772	79,882,772
Current assets	2,450,841	5,338,696	-	7,789,537
Creditors due within one year	-	(4,474,481)	-	(4,474,481)
Creditors due in more than one year	-	(1,189,323)	-	(1,189,323)
Pension scheme liability	-	(10,430,000)	-	(10,430,000)
	<u>2,450,841</u>	<u>(10,755,108)</u>	<u>79,882,772</u>	<u>71,578,505</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	58,668,436	58,668,436
Current assets	2,275,492	5,616,448	-	7,891,940
Creditors due within one year	-	(3,712,640)	-	(3,712,640)
Creditors due in more than one year	-	(1,292,835)	-	(1,292,835)
Provisions for liabilities and charges	-	(12,298,000)	-	(12,298,000)
	<u>2,275,492</u>	<u>(11,687,027)</u>	<u>58,668,436</u>	<u>49,256,901</u>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	15,506,604	3,086,443
<b>Adjustment for:</b>		
Depreciation charges	2,586,828	2,032,136
Interest received	(13,009)	(16,420)
Loss on the sale of fixed assets	-	39
Increase in debtors	(849,528)	(345,476)
Increase in creditors	510,053	1,152,635
Capital grants from DfE and other capital income	(1,779,078)	(1,260,824)
Defined benefit pension scheme cost less contributions payable	986,000	187,000
Defined benefit pension scheme finance cost	326,000	287,000
Net (loss) on assets and liabilities from local authority on conversion	(18,016,527)	(4,997,734)
<b>Net cash (used in)/provided by operating activities</b>	<b>(742,657)</b>	<b>124,799</b>

**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	2,654,938	3,078,888
Notice deposits (less than 3 months)	2,500,000	3,000,000
	<b>5,154,938</b>	<b>6,078,888</b>

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**23. CONVERSION TO AN ACADEMY TRUST**

During the year, there have been 3 schools transferred from other Multi-academy trusts or local authorities to join The White Horse Federation. On 1 February 2017, Devizes School converted from a Single Academy Trust, on 1 March 2017 Southbroom Infant School converted from a local authority and 1 May 2017 West Kidlington Primary & Nursery converted from a local authority to join The White Horse Federation. The donation of assets and funds has been treated the same as if these were transfers from local authorities as outlined below.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

**Devizes School**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	15,498,462	15,498,462
Budget surplus/(deficit) on other school funds	-	18,392	-	18,392
LGPS pension deficit	-	(2,528,000)	-	(2,528,000)
Net assets/(liabilities)	-	(2,509,608)	15,498,462	12,988,854

The above net assets include £18,392 that was transferred as cash.

**Southbroom Infant School**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,376,726	2,376,726
Budget surplus/(deficit) on LA funds	-	-	-	-
Budget surplus/(deficit) on other school funds	117,823	-	-	117,823
LGPS pension surplus/(deficit)	-	(362,000)	-	(362,000)
Net assets/(liabilities)	117,823	(362,000)	2,376,726	2,132,549

The above net assets include £119,443 that were transferred as cash.

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**West Kidlington Primary & Nursery School**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	3,713,634	3,713,634
Budget surplus/(deficit) on other school funds	-	-	-	-
LGPS pension surplus/(deficit)	-	(745,000)	-	(745,000)
Net assets/(liabilities)	<u>-</u>	<u>(745,000)</u>	<u>3,713,634</u>	<u>2,968,634</u>

The above net assets include £xxx that were transferred as cash.

**24. CAPITAL COMMITMENTS**

At 31 August 2017 the Federation had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>840,000</u>	<u>837,000</u>

**25. PENSION COMMITMENTS**

The Federation'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 Swindon Borough Council, Gloucester County Council and Oxford County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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.

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,076,731 (2016: £905,614).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,994,000 (2016: £1,701,000), of which employer's contributions totalled £1,568,000 (2016: £1,082,000) and employees' contributions totalled £426,000 (2016: £283,000). The agreed contribution rates for future years are 22.8% for employers and 5.5 - 12.5% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.51 %	2.08 %
Expected return on scheme assets at 31 August	2.51 %	2.08 %
Rate of increase in salaries	2.79 %	3.57 %
Rate of increase for pensions in payment / inflation	2.57 %	2.11 %

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**25. PENSION COMMITMENTS (continued)**

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

	<b>2017</b>	2016
Retiring today		
Males	<b>22.5 years</b>	22.4 years
Females	<b>24.9 years</b>	24.6 years
Retiring in 20 years		
Males	<b>24.2 years</b>	24.2 years
Females	<b>26.7 years</b>	27.0 years

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

	<b>Fair value at 31 August 2017 £</b>	Fair value at 31 August 2016 £
Equities	<b>14,170,000</b>	8,665,000
Bonds	<b>3,084,000</b>	2,072,000
Property	<b>2,298,000</b>	1,268,000
Cash and other liquid assets	<b>429,000</b>	245,000
Other	<b>102,000</b>	24,000
<b>Total market value of assets</b>	<b><u>20,083,000</u></b>	<u>12,274,000</u>

The actual return on scheme assets was £1,662,000 (2016: £842,000).

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

	<b>2017 £</b>	2016 £
Current service cost	<b>(2,532,000)</b>	(1,531,000)
Past service cost	<b>(22,000)</b>	-
Interest income	<b>343,000</b>	359,000
Interest cost	<b>(669,000)</b>	(646,000)
<b>Total</b>	<b><u>(2,880,000)</u></b>	<u>(1,818,000)</u>



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**25. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	24,572,000	15,024,000
Upon conversion	7,770,000	1,665,000
Current service cost	2,532,000	1,531,000
Interest cost	669,000	646,000
Employee contributions	426,000	357,000
Actuarial (gains)/losses	(5,098,000)	5,467,000
Benefits paid	(380,000)	(118,000)
Past service costs	22,000	-
	<u>30,513,000</u>	<u>24,572,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	12,274,000	8,066,000
Upon conversion	4,135,000	849,000
Interest income	343,000	359,000
Actuarial losses	1,717,000	1,417,000
Employer contributions	1,568,000	1,344,000
Employee contributions	426,000	357,000
Benefits paid	(380,000)	(118,000)
	<u>20,083,000</u>	<u>12,274,000</u>

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2017 £	2016 £	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>				
Within 1 year	239,318	239,318	69,277	36,957
Between 1 and 5 years	957,272	957,272	71,886	35,814
After more than 5 years	1,914,544	2,153,862	-	-
Total	<u>3,111,134</u>	<u>3,350,452</u>	<u>141,163</u>	<u>72,771</u>

Moredon Primary School occupies buildings that are subject to a PFI agreement. The amount included in operating lease commitments above is the projected revenue payment for future years. This agreement will expire in 2030 and each annual payment is subject to inflationary increases.

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**27. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Federation's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures.

There were no significant transactions during the period.

**28. CONTROLLING PARTY**

The company is under the joint control of the Trustees. There is no ultimate controlling party.

**29. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	5,154,938	6,078,888
Financial assets measured at amortised cost	1,630,214	1,256,986
	<u>6,785,152</u>	<u>7,335,874</u>
Financial liabilities measured at amortised cost	<u>4,385,426</u>	<u>3,813,021</u>

Financial assets measured at fair value through income and expenditure comprise of cash.

Financial assets measured at amortised cost comprise of accrued income and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

**30. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after 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.

**31. AGENCY ARRANGEMENTS**

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the Academy Trust received £21,345 and disbursed £24,224 from the fund. An amount of £15,744 is included in other creditors relating to undistributed funds that is repayable to ESFA.