

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 19
Independent reporting accountant's assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 58

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	I Cooke (resigned 24 July 2018) S McMurtrie F Hammans P Lender-Swain D Roberts - Diocese of Salisbury Corporate Member
Trustees	N Capstick OBE, Chief Executive Officer ² M Collins, Chair of Teaching Learning and Standards Committee ^{2,3} S Hagan (resigned 6 October 2017) G Bray (appointed 16 October 2017, resigned 31 August 2018) C Hopton, Chair of Risk & Audit Committee ² L Gibson, Vice Chair (appointed 12 December 2017) ³ F Hammans, Chair of Pay & Remuneration Committee ^{3,4} N Van Zeller (appointed 20 June 2018) ⁵ R Marsh, Chairman ^{4,5} Lt Col R Page ^{1,2} S McMurtrie, Chair of Finance Committee ¹ C Macleod (appointed 23 April 2018) ⁵
	1 Finance Committee 2 Audit and Risk Committee 3 Teaching, Learning & Standards Committee 4 Pay and Compensation Committee 5 People Committee
Company registered number	08075785
Company name	The White Horse Federation
Principal and registered office	The White Horse Federation Plymouth Street Swindon Wiltshire SN1 2LB
Company secretary	L Haydon
Accounting Officer	N Capstick
Senior Leadership Team	N Capstick, Chief Executive Officer S Cowley, Director of Teaching & Learning R Gallyot, Interim Regional Director S Brimfield, HR Director I Jones, COO

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

As at the date of these Accounts The White Horse Federation (TWHF) operated 21 primary, 5 secondary and 3 special schools in Swindon, Wiltshire, Gloucestershire, Oxfordshire and Berkshire. In addition, TWHF ran two primary Teaching Schools and one secondary Teaching School during the period. TWHF have a combined pupil capacity of 13,800 (including Nursery) and had a roll of 11,352 (including Nursery) at 31 August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

TWHF 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 TWHF. On 1 August 2018 the eight academies which had previously formed the Academy Trust of Melksham (ATOM) joined TWHF, six of which are Church of England (CofE) primary schools. This necessitated the adoption of new Articles of Association to reflect the mixed nature of the MAT in terms of schools, to ensure governance oversight of CofE schools by the Salisbury Diocesan Board of Education. The new Articles were adopted 1 August 2018.

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. N Capstick (Chief Executive Officer) is a Trustee.

Members' liability

Each member of TWHF 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.

Trade union facility time

TWHF has 1 member of staff who is a relevant union official during the year. They spent between 1-50% of their time on this role. This role is completed mostly in their spare time and TWHF has therefore incurred a negligible cost in relation to this.

Trustees' Indemnities

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

TRUSTEES

Appointment of Trustees

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

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.

TWHF's new Articles of Association have resulted in the designation of a number of Trustees as Foundation Trustees and a new Corporate Member, Dan Roberts, who represents the interests of the Salisbury Diocesan Board of Education.

GOVERNANCE

Governance of TWHF has evolved significantly during the year. The sub-committees of the Board of Trustees were strengthened, and an audit of Trustees' skills and experience was carried out.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

In addition to the existing sub-committees – namely Risk & Audit, Teaching Learning and Standards, Pay & Remuneration and Finance - a People sub-committee was set up to provide strategic oversight to TWHF's HR strategy, policy and practice and to ensure that people issues are being managed effectively. In addition, the role of each sub-committee in monitoring risk management has been clarified. Sub-committees now meet ahead of Board of Trustees' meetings with a standing agenda item to consider how risks within their scope of activities are being managed. Minutes are provided to the Risk and Audit Committee to enable it to monitor risk management across TWHF.

The skills audit revealed gaps in the skills of Trustees. As a result, new Trustees have been appointed bringing additional experience of school governance, real estate and HR. All Trustees have been appointed to serve on at least one sub-committee.

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

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

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring performance and making major decisions about the direction of TWHF, capital expenditure and staff appointments.

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

Organisational Structure

The CEO works with the Senior Leadership Team (SLT). The SLT has evolved through the year and as at year end consisted of the CEO, Regional Directors, COO, HR Director and Head of Teaching and Learning. The SLT manages TWHF at an operational level, implementing the policies laid down by the Trustees and reporting back to them. A Scheme of Delegation has been agreed with the Trustees.

During the year a new organisation structure was put in place under which schools are managed in a hub structure. Four regional hubs have been created – Swindon, Wiltshire, Gloucestershire and Oxfordshire & Berkshire. Central Services remain in Swindon and support all the hubs

The CEO, COO and Chair of Finance Committee are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to budget holders. The CEO and Regional Directors are responsible for the appointment of teaching and teaching support. The COO is responsible for non-teaching support working closely with functional leads. Senior role appointments always include a Trustee on the interview panel.

At 31 August 2018 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, Larkhill
	-	On 1 August the following schools joined from ATOM : Bowerhill, Seend, Shaw, The Manor, St Mary's Broughton Gifford, St George's, Forest & Sandridge
Secondary Schools	-	Ridgeway Secondary and Sixth Form College, Gloucester Academy, Devizes
	-	Secondary and Sixth Form College, John Madejski Academy
	-	On 1 August Melksham Oak transferred from ATOM
Special Schools	-	Peak, Greenfield, Nyland

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

During the period TWHF also operated two primary focused Teaching Schools and the secondary focused Swindon School Centred Initial Teacher Training (SCITT). From 31 August 2018 the SCITT provision has been restructured and will be closed.

On 1 September 2018 St Luke's Academy joined TWHF and St Mary All Saints will be joining from 1 November 2018.

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 TWHF. There are no sponsors or formal Parent Teacher Associations (PTA) associated with TWHF. PTA's exist in some of the schools within the Federation.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

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

- Continue to raise the standard of educational attainment and achievement of all pupils.
- Provide a broad and balanced curriculum, including extra curricular activities.
- 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 TWHF schools and the broader community. Maintain close links with industry and commerce.
- Develop TWHF's capacity to manage change; and
- Conduct TWHF's business in accordance with the highest standards of integrity, probity and openness.

At TWHF 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.

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 TWHF aims and objectives and in planning its future activities.

TWHF aims to advance, for the public benefit, education in Swindon, Wiltshire, Gloucestershire, Oxfordshire and Berkshire and the surrounding area.

STRATEGIC REPORT

Achievements and Performance

TWHF has a clear vision and growth strategy to develop four mature hubs in the South West each including a mix of secondary, primary and special schools. The strategic vision focuses on three key strands and key achievements 2017/2018, these areas include:

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Improve performance in current schools

At Primary Level

- SAT results were excellent within all TWHF schools (including schools that joined from the ATOM trust)
- During 2017/18 TWHF supported the ATOM schools under a service level agreement and results for 6 of the 7 primaries showed significant improvement in terms of both KS1 and KS2 results.

TWHF exceeds all national measures for performance at every level as shown below;

Category	Subject	National	MAT average	Difference
EYFS		71%	75%	4%
Phonics		82%	84%	2%
KS1 Overall	Reading	75%	82%	7%
	Writing	70%	72%	2%
	Maths	76%	80%	4%
	RWM	65%	69%	4%
KS2 Overall	Reading	75%	77%	2%
	Writing	78%	79%	1%
	Maths	76%	80%	4%
	RWM	64%	67%	3%

	KS1 Reading	KS1 Writing	KS1 Maths	Y1 Phonics	KS2- Combined R/W/M
National 2018	75.0%	70%	76%	82.0%	64%
Bowerhill*	76%	64%	75%	89%	63%
Drove	84%	77%	87%	82%	76%
Forest & Sandridge*	87%	71%	87%	87%	61%
Gorse Hill	84%	68%	79%	85%	53%
Haydon Wick	82%	71%	84%	80%	83%
Larkhill	80%	76%	81%	93%	33%
Moredon	83%	78%	83%	81%	71%
Mountford	73%	70%	73%	74%	-
Rodbourne	83%	80%	87%	77%	83%
Seend*	88%	81%	81%	88%	75%
Shaw*	83%	77%	77%	93%	78%
Southwold	68%	64%	68%	86%	54%
Southbroom	85%	65%	76%	82%	N/A
St. Georges*	88%	75%	75%	69%	78%
St. Mary's Broughton Gifford*	92%	75%	92%	69%	89%
The Croft	81%	70%	83%	92%	N/A
The Manor*	71%	60%	66%	84%	20%
Tregoze	79%	72%	72%	90%	88%
West Kidlington	76%	68%	85%	84%	64%
Zouch	88%	79%	81%	88%	63%

* Formerly part of ATOM trust

- Other noticeable achievements for TWHF Primary schools include:
 - Drove Primary School – showing a 20% RWM increase, which now makes it sit 12% above national benchmarks.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Rodbourne Cheney Primary School - 83% RWM score, which secures it O/S grade after a slight decline last year.
 - Tregoze Primary School - a 11% RWM increase on last year, which now makes it sit 24% above national benchmarks. Although currently sitting with a "Good" Ofsted grade, this would make it an "Outstanding" school because of trends over time.
 - West Kidlington - now showing to be at the national benchmark of 64% for the first time in over 4 years this represents an 11% increase on 16/17 results.
- The schools supported by TWHF within the former ATOM Trust under a Service Level Agreement, have shown the following improvements;
 - St Georges Primary School - 49% RWM increase from 29% to 78% which now makes it sit 14% above national benchmarks.
 - St Mary's Primary School - 22% RWM increase, which now makes it sit 25% above national benchmarks.
 - Shaw Primary School - 22% RWM increase.
 - Bowerhill Primary School - RWM up 33% to 63% making it inline with national and therefore potential grade change from RI to Good.

At Secondary level

Using P8 as a key metric the following was recorded:

- Ridgeway School had a positive P8 value, and a significant reduction in the difference between disadvantaged and all pupils compared to previous years.
- Devizes School has a marked reduction in the difference between disadvantaged and all pupils.
- Peak and Greenfield Special SEMH Academies showed significant improvement.

The KS4 and KS5 data for our Secondary schools is detailed below:

School	A8	P8	5-9 Basics	KS5 VA - A' level	KS5 VA - Vocational
Devizes	43.2	-0.09	35%	0.07	-1.08
GA	27.8	-1.13	14%	-0.52	-1.22
JMA	34.8	-0.63	16%	-0.40	1.09
Melksham Oak	41	-0.10	30%	-0.36	-0.63
The Ridgeway	50.7	0.22	53%	0.05	Unavailable

2. Improve, develop and grow capability of staff
- Skills audit of trustees was conducted to ensure a fitness for purpose and new trustees were appointed to fill skill gaps before growth was undertaken.
 - Appointment of Director of Professional Development with focus on development of CPD and employee development.
 - Consolidation of accounting systems.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

3. Growth of new schools

- Successful on boarding and integration of Academy Trust of Melksham (ATOM) encompassing 1 secondary and 7 primary schools.
- On boarding of Larkhill Primary School and Gagle Brook.
- Implemented two regional hub offices with support structures.
- Clear and robust due diligence process for evaluating each project and its potential fit to TWHF.

During the year, TWHF completed work on a number of projects secured via SCA capital grants and some CIF funding including:

- Devizes roof replacement in certain areas and fire alarm replacement.
- Boiler replacements at various schools.
- Completion of the modular build at West Kidlington.

Key Performance Indicators

TWHF 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 2018 were 11,352 an increase of 4,011 over 2017, of which 2,756 relate to pupils at ATOM schools and 898 related to other schools joining the White Horse Federation during the financial year. It is anticipated that this number will continue to rise, through individual school growth and new schools joining TWHF.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the TWHF income is obtained from the DfE via the EFA 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 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

TWHF 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.

During the year TWHF recorded a deficit of £(0.7)m as a result of the continued integration of new schools and development of hub structure. The long range plan shows a surplus from 2019/20 and the immediate focus following the deficit 17/18 is on integrated curriculum financial planning, cost base reductions and an increase in various income streams.

The table below summarises the underlying operational performance for TWHF ignoring the impact of pension adjustments and transfers in during the period.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Operational View

	2018	2017
£000's		
Income in period	47,684	37,529
Expenditure:		
Staff costs	39,404	29,784
Other	8,836	8,065
Total	48,240	37,849
Operational Management surplus/(loss) in period	-556	-320
One-off items due to MAT repositioning	180	0
Overall Operational Management surplus / (loss) in period	-736	-320
Capital expenditure movement from current and prior year income :	288	482
Total surplus / (loss) including capital movements	-1,024	-802

At 31st August 2018 the net book value of fixed assets was £121.7m and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils.

Land, buildings and other assets were transferred to TWHF upon conversion of new Academies during the year. Land and buildings within these transfers on conversion were valued at £42.9m. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

TWHF 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 24 to the financial statements.

Reserves Policy

The Trustees review the reserve levels of TWHF 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 TWHF, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have a policy to maintain a cash reserve at a level that represents one month's expenditure within the largest hub. 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. While the cash position at the end of 2018 remains strong the accounting free reserve, while positive at £0.6m, remains lower than the desired reserve policy. This has been driven partly by the 2017/18 deficit allied with the fact that a number of schools have joined TWHF in recent years with accumulated and current negative reserves which will require alignment in the cost base. Plans are underway to address this through efficiency, income generation, procurement and structural changes.

The defined benefit pension scheme reserve has a negative balance driven by the Local Government Pension Scheme, which is underwritten by the Government. The effect of this deficit is that TWHF will be paying higher employers' pension contributions over a period of years.

Investment Policy

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Principal Risks And Uncertainties

The Members and Trustees have implemented a system to monitor risks that TWHF faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures 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 TWHF are as follows:

Educational - the risk centres on TWHF'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 risk assessment is maintained for each school allowing for focused action and sharing of best practice. The Teaching and Learning committee reviews detailed progress and reports key risks to the Risk & Audit committee.

Financial - TWHF has considerable reliance on continued Government funding through the ESFA. In the last year 90% of incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that public funding will continue at the same levels or on the same terms. Significant pressure is also expected in the area of pension payments.

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 - risk arises from failure to effectively manage TWHF'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 – Trustees monitor key risks in areas of Estates, IT and HR on a regular basis.

Strategy & Growth - the Trustees review TWHF's strategy on a regular basis and monitor its implementation. 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

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

For Disabled Employees

TWHF 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 an applicant confirms that they have a disability we can make reasonable adjustments to ensure that any selection processes - including the interview - are fair and equitable.

TWHF also supports disabled employees by following the Managing Employee Health, Wellbeing and Attendance Procedure in Schools/Academies. This policy ensures that TWHF works with Occupational Health in order to support all disabilities with internal training programmes and career development.

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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 17th December 2018 and signed on the board's behalf by:



**R Marsh
Chair of Trustees**

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that TWHF 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 TWHF in the funding agreement between TWHF and the Secretary of State for Education.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees met 4 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
Lt Col R Page	3	4
N Capstick	3	4
L Gibson	2	2
M Collins	3	4
G Bray	3	4
C Hopton	4	4
F Hammans	4	4
S McMurtrie, Chair of Finance Committee	4	4
C Macleod	1	1
S Hagan	0	0
R Marsh, Chairman	4	4
N Van Zeller	0	0

The Finance Committee is a sub committee of the Board. 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 met 4 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Lt Col R Page	4	4
S McMurtrie	4	4

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 TWHF. The Audit & Risk Committee met 4 times during the year.

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Hopton	4	4
M Collins	3	4
Lt Col R Page	4	4

The purpose of the Teaching and Standards Committee is to oversee and challenge the schools with assessments and attainment at each school and consider key risks and mitigation across the educational frameworks of the schools in TWHF. The committee met 4 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Collins	4	4
F Hammans	4	4
N Gibson	2	2

The Pay and Remuneration Committee oversees all aspects of remuneration including Teacher and Support pay awards and evaluations and works closely with HR Director. In addition, it also oversees all senior pay awards and performance evaluations. It meets twice a year and comprises of F Hammans and R Marsh.

From August 2018 a new People Committee has been formed to focus on employee engagement, performance evaluations, benefits and well-being of staff. The Terms of Reference have recently been established and meetings will commence through 2018/19 Academic Year.

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 TWHF 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 TWHF 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 a formal process for identifying, evaluating and managing the TWHF's significant risks, has been in place for the year to 31st August 2018 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

TWHF'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;

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

GOVERNANCE STATEMENT (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

RSM act as Internal Auditors for TWHF and report regularly to the Audit & Risk Committee. Their role includes carrying out audits on selected TWHF risk management policies and processes. 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 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 external auditors;
- the work of the internal auditors;
- the financial management and governance self-assessment process;
- the work of executive managers 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 17th December 2018 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

As Accounting Officer of The White Horse Federation I have considered my responsibility to notify the Federation Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Federation 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 Federation Board of Trustees are able to identify any material, irregular or improper use of funds by the Federation, or material non-compliance with the terms and conditions of funding under the Federation'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 EFA.



**N Capstick
Accounting Officer**

17th December 2018

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who act as governors of The White Horse Federation and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 EFA/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: 17th December 2018

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

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

OPINION

We have audited the financial statements of The White Horse Federation (the 'Federation') for the year ended 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR 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 Auditors' 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

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 the financial year 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' remuneration specified by law are 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 or to cease operations, or have no realistic alternative but to do so.

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 Auditors' 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. This description forms part of our Auditors' report.

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

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

USE OF OUR REPORT

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 Auditors' 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.



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:

20/12/2018

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

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

In accordance with the terms of our engagement letter dated 4 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 & SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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: 20/12/2018

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £	
INCOME FROM:						
Donations & capital grants:						
Acquired from other Academy Trusts	2	17,054	(4,965,000)	39,803,469	34,855,523	12,988,854
Transfer on conversion	2	31,280	(231,000)	3,088,800	2,889,080	5,101,183
Other donations and capital grants	2	373,857	2,134,280	152,355	2,660,492	2,390,610
Charitable activities	5	3,064,009	42,159,088	-	45,223,097	35,508,465
Teaching schools	33	252,187	911,206	-	1,163,393	1,185,932
Other trading activities	3	192,240	-	-	192,240	103,949
Investments	4	4,526	-	-	4,526	12,909
TOTAL INCOME		3,935,153	40,008,574	43,044,624	86,988,351	57,291,902
EXPENDITURE ON:						
Charitable activities		5,211,652	44,359,669	2,760,107	52,331,428	40,598,121
Teaching schools	33	17,498	1,123,052	66,463	1,207,013	1,187,177
TOTAL EXPENDITURE	6	5,229,150	45,482,721	2,826,570	53,538,441	41,785,298
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(1,293,997)	(5,474,147)	40,218,054	33,449,910	15,506,604
		-	(1,581,969)	1,581,969	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(1,293,997)	(7,056,116)	41,800,023	33,449,910	15,506,604
Actuarial gains on defined benefit pension schemes	25	-	4,499,000	-	4,499,000	6,815,000
NET MOVEMENT IN FUNDS		(1,293,997)	(2,557,116)	41,800,023	37,948,910	22,321,604
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,450,841	(10,755,108)	79,882,772	71,578,505	49,256,901
TOTAL FUNDS CARRIED FORWARD		1,156,844	(13,312,224)	121,682,795	109,527,415	71,578,505

The notes on pages 25 to 58 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		121,682,795		79,882,772
CURRENT ASSETS					
Debtors	15	3,249,266		2,662,579	
Investments	16	1,000,000		2,500,000	
Cash at bank and in hand		3,648,079		2,626,959	
			<u>7,897,345</u>	<u>7,789,538</u>	
CREDITORS: amounts falling due within one year	17	(5,466,958)		(4,474,482)	
NET CURRENT ASSETS			<u>2,430,387</u>		<u>3,315,056</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>124,113,182</u>		<u>83,197,828</u>
CREDITORS: amounts falling due after more than one year	18	(1,329,767)		(1,189,323)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>122,783,415</u>		<u>82,008,505</u>
Defined benefit pension scheme liability	25	(13,256,000)		(10,430,000)	
NET ASSETS			<u><u>109,527,415</u></u>		<u><u>71,578,505</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	(56,224)		(325,108)	
Fixed asset funds	19	121,682,795		79,882,772	
Restricted funds excluding pension liability		<u>121,626,571</u>		<u>79,557,664</u>	
Pension reserve		<u>(13,256,000)</u>		<u>(10,430,000)</u>	
Total restricted funds			<u>108,370,571</u>		<u>69,127,664</u>
Unrestricted funds	19		<u>1,156,844</u>		<u>2,450,841</u>
TOTAL FUNDS			<u><u>109,527,415</u></u>		<u><u>71,578,505</u></u>

The financial statements on pages 22 to 58 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



R Marsh
Chair of Trustees
17th December 2018

The notes on pages 25 to 58 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 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	21	(664,152)	(742,657)
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,597	13,009
Purchase of tangible fixed assets		(1,737,845)	(2,149,637)
Capital grants from DfE Group		1,535,199	1,779,078
Net cash used in investing activities		(198,049)	(357,550)
Cash flows from financing activities:			
Increase in borrowings		355,342	176,257
Net cash provided by financing activities		355,342	176,257
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		5,154,938	6,078,888
Cash and cash equivalents carried forward	22	4,648,079	5,154,938

The notes on pages 25 to 58 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 2018**

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 2017 to 2018 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 TWHF 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/donor and include grants from the Department for Education Group.

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 2018**

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

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

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

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

Capital grants are recognised 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 receipt is probable and the amount can be reliably measured.

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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
Furniture and fixtures	-	straight line over 5 years
Motor vehicles	-	straight line over 5 years
Computer equipment	-	straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Land and buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet - this is a change of accounting policy as detailed in note 1.2. These land and buildings are occupied free of charge under a rolling two-year licence from the landowner. Due to the specialised nature of these land and buildings it is not considered practical to place a value of the notional rent donated by the landowner.

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. ACCOUNTING POLICIES (continued)

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.

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.

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 Larkhill Primary School 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, John Madejski Academy transferred from a Single Academy Trust, and The Academy Trust of Melksham transferred from a Multi Academy Trust to join TWHF. These transfers have been treated on the same basis as a conversion from a local authority as outlined above.

Further details of the transactions 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 31.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 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 2018. 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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Acquired from other Academy Trusts	17,054	(4,965,000)	39,803,469	34,855,523	12,988,854
Transfer on conversion	31,280	(231,000)	3,088,800	2,889,080	5,101,183
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Donations	373,857	702,543	73,258	1,149,658	683,357
Capital Grants	-	1,431,737	79,097	1,510,834	1,707,253
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	373,857	2,134,280	152,355	2,660,492	2,390,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	422,191	(3,061,720)	43,044,624	40,405,095	20,480,647
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	436,644	(1,565,169)	21,609,172	20,480,647	
	<hr/>	<hr/>	<hr/>	<hr/>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	192,211	-	192,211	103,878
External catering	29	-	29	71
	<u>192,240</u>	<u>-</u>	<u>192,240</u>	<u>103,949</u>
Total 2017	<u>103,949</u>	<u>-</u>	<u>103,949</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	4,526	-	4,526	12,909
	<u>4,526</u>	<u>-</u>	<u>4,526</u>	<u>12,909</u>
Total 2017	<u>12,909</u>	<u>-</u>	<u>12,909</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	1,430,531	42,097,504	43,528,035	34,213,746
Nursery	1,043,926	-	1,043,926	827,271
Support for other schools	402,404	61,584	463,988	259,878
Leisure facilities	187,148	-	187,148	207,570
	<u>3,064,009</u>	<u>42,159,088</u>	<u>45,223,097</u>	<u>35,508,465</u>
Total 2017	<u>2,207,675</u>	<u>33,300,790</u>	<u>35,508,465</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	34,912,315	34,912,315	26,977,623
Other DfE Group grants	-	3,359,268	3,359,268	2,738,581
	<u>-</u>	<u>38,271,583</u>	<u>38,271,583</u>	<u>29,716,204</u>
Other Government grants				
High Needs	-	2,570,185	2,570,185	2,349,094
Other government revenue grants	-	1,255,736	1,255,736	1,127,714
	<u>-</u>	<u>3,825,921</u>	<u>3,825,921</u>	<u>3,476,808</u>
Other funding				
Internal catering income	721,850	-	721,850	648,825
Sales to students	22,198	-	22,198	2,722
Other	686,483	-	686,483	369,187
	<u>1,430,531</u>	<u>-</u>	<u>1,430,531</u>	<u>1,020,734</u>
	<u>1,430,531</u>	<u>42,097,504</u>	<u>43,528,035</u>	<u>34,213,746</u>
Total 2017	<u>944,734</u>	<u>33,269,012</u>	<u>34,213,746</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education					
Direct costs	30,534,438	2,826,570	2,655,608	36,016,616	27,521,962
Support costs	7,069,136	2,114,325	5,164,040	14,347,501	11,566,722
Nursery					
Direct costs	1,021,007	60,601	18,957	1,100,565	879,893
Support costs	-	2,900	1,293	4,193	3,863
Support for other schools					
Direct costs	323,309	17,595	502	341,406	1,206,109
Support costs	-	16,893	289,894	306,787	192,774
Leisure facilities					
Direct costs	150,246	10,291	26,354	186,891	177,320
Support costs	-	13,647	13,822	27,469	50,465
Teaching schools	485,762	10,534	710,717	1,207,013	1,187,177
	39,583,898	5,073,356	8,881,187	53,538,441	42,786,285
Total 2017	29,784,103	4,104,465	7,896,730	41,785,298	

7. DIRECT COSTS

	Education £	Nursery £	Support for other schools £	Leisure facilities £	Total 2018 £	Total 2017 £
Pension finance costs	337,000	-	-	-	337,000	326,000
Educational supplies	1,401,335	11,224	-	-	1,412,559	1,110,727
Examination fees	326,498	-	-	-	326,498	246,400
Staff development	187,515	1,814	502	-	189,831	232,990
Other costs	982,989	2,936	-	26,354	1,012,279	577,786
Supply teachers	508,424	1,688	-	-	510,112	432,083
Technology costs	103,701	-	-	-	103,701	149,733
PFI charges	235,708	-	-	-	235,708	225,821
Wages and salaries	22,933,808	760,162	323,309	121,391	24,138,670	18,560,451
National insurance	2,077,809	98,737	-	7,235	2,183,781	1,635,109
Pension cost	5,011,457	163,403	-	21,620	5,196,480	3,655,931
Depreciation	1,910,372	60,601	17,595	10,291	1,998,859	1,780,644
	36,016,616	1,100,565	341,406	186,891	37,645,478	28,933,675
Total 2017	27,521,962	879,893	1,392,299	177,320	29,971,474	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. SUPPORT COSTS

	Education £	Nursery £	Support for other schools £	Leisure facilities £	Total 2018 £	Total 2017 £
Other costs	25,636	-	-	4,891	30,527	16,099
Recruitment and support	357,711	20	-	-	357,731	243,957
Maintenance of premises and equipment	854,713	8	-	12,720	867,441	432,414
Cleaning	344,276	427	-	927	345,630	305,293
Rent and rates	317,107	-	-	-	317,107	274,781
Energy costs	674,887	-	-	-	674,887	493,019
Insurance	186,291	-	-	-	186,291	182,189
Security and transport	170,734	-	-	-	170,734	104,809
Catering	1,459,898	2,465	-	7,418	1,469,781	1,424,981
Technology costs	464,604	-	-	-	464,604	502,697
Office overheads	464,551	491	-	-	465,042	254,033
Legal and professional	1,161,377	551	289,894	-	1,451,822	1,355,377
Bank interest and charges	4,688	-	-	-	4,688	1,593
Governance costs	49,324	-	-	-	49,324	58,050
Wages and salaries	4,975,662	-	-	-	4,975,662	3,861,201
National insurance	350,046	-	-	-	350,046	271,683
Pension cost	1,743,385	-	-	-	1,743,385	1,153,852
Depreciation	742,611	231	16,893	1,513	761,248	728,418
	14,347,501	4,193	306,787	27,469	14,685,950	11,664,446
Total 2017	11,566,722	3,863	192,774	50,465	11,813,824	

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,830,093	2,586,828
Auditors' remuneration - audit	37,870	31,500
Auditors' remuneration - non audit	7,075	24,400
PFI Charges	239,318	225,821
Operating lease rentals	69,277	89,876

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	29,256,091	22,416,620
Social security costs	2,565,430	1,943,696
Operating costs of defined benefit pension schemes	7,000,647	4,813,922
	38,822,168	29,174,238
Staff restructuring costs	251,618	177,782
Supply teacher costs	510,112	432,083
	39,583,898	29,784,103

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £180,374 (2017: £Nil). The statutory redundancy payments individually during the year were: £34,190, £32,839, £22,867, £22,228, £21,285, £20,000, £19,850, £17,500, £16,000, £12,430, £8,057, £8,000, £7,180, £5,000, £3,252 and £1,125.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	457	395
Educational support	857	696
Administration and other support	140	117
Management	69	78
	1,523	1,286

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	385	321
Educational Support	485	340
Administration and other support	99	84
Management	67	58
	1,036	803

d. Higher paid staff

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS (continued)

	2018	2017
	No.	No.
In the band £60,001 - £70,000	20	9
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	5	2
In the band £90,001 - £100,000	4	2
In the band £100,001 - £110,000	3	1
In the band £110,001 - £120,000	1	0
In the band £140,001 - £150,000	0	1
In the band £160,001 - £170,000	1	1
In the band £190,000 - £200,000	1	0

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £201,942 (2017: £201,942).

e. Key management personnel

The key management personnel of TWHF comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership 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 TWHF was £759,608 (2017: £1,290,003). 2017 included some additional roles listed within key management. TWHF 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. TWHF 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 Federation wide School Improvement initiatives.

12. TRUSTEES' REMUNERATION AND EXPENSES

Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff and did not receive any payments in respect of their role 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 banding's as follows: N Capstick: Remuneration £195,000 - £200,000 (2017: £145,000 - £150,000), Employer's pension contributions £30,000 - £35,000 (2017: £25,000 - £30,000) and L Costello: Remuneration £Nil (2017: £85,000 - £90,000), Employer's pension contributions £Nil (2017: £15,000 - £20,000).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £8,041 (2017: £1,661) were reimbursed to 3 Trustees (2017: 2).

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 £5,000,000 on any one claim and annual total of £5,000,000 in aggregate. The cost for the year ended 31 August 2018 was £4,456 (2017: £2,110).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long term leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Computer equipment £	Total £
COST						
At 1 September 2017	36,516,484	45,588,026	2,898,082	121,710	1,826,920	86,951,222
Additions	356,069	970,356	273,890	22,995	114,534	1,737,844
Acquisitions	-	42,806,272	6,000	-	80,000	42,892,272
At 31 August 2018	<u>36,872,553</u>	<u>89,364,654</u>	<u>3,177,972</u>	<u>144,705</u>	<u>2,021,454</u>	<u>131,581,338</u>
DEPRECIATION						
At 1 September 2017	1,348,998	2,542,122	1,555,445	87,113	1,534,772	7,068,450
Charge for the year	629,315	949,600	977,893	20,335	252,950	2,830,093
At 31 August 2018	<u>1,978,313</u>	<u>3,491,722</u>	<u>2,533,338</u>	<u>107,448</u>	<u>1,787,722</u>	<u>9,898,543</u>
NET BOOK VALUE						
At 31 August 2018	<u>34,894,240</u>	<u>85,872,932</u>	<u>644,634</u>	<u>37,257</u>	<u>233,732</u>	<u>121,682,795</u>
At 31 August 2017	<u>35,167,486</u>	<u>43,045,904</u>	<u>1,342,637</u>	<u>34,597</u>	<u>292,148</u>	<u>79,882,772</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.

TWHF has been granted use of certain school buildings under Supplemental Agreements with various Diocese. The Trustees consider that under this agreement the risks and rewards of ownership remain with the Diocese. Therefore the relevant land and buildings have not been included within the long-term leasehold property of TWHF.

Included in freehold land and buildings is £6,789,180 (2017: £6,789,180) of land, which is not depreciated.

15. DEBTORS

	2018 £	2017 £
Trade debtors	91,787	487,932
VAT repayable	571,259	598,432
Other debtors	63,241	68,775
Prepayments and accrued income	2,522,979	1,507,440
	<u>3,249,266</u>	<u>2,662,579</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. CURRENT ASSET INVESTMENTS

	2018	2017
	£	£
Deposit accounts	1,000,000	2,500,000

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.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
ESFA loans	552,804	379,540
Trade creditors	866,498	855,225
Other taxation and social security	928,942	539,538
Other creditors	1,070,081	868,257
Accruals and deferred income	2,048,633	1,831,922
	5,466,958	4,474,482

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	550,089	595,004
Resources deferred during the year	988,007	550,089
Amounts released from previous years	(550,089)	(595,004)
Deferred income at 31 August 2018	988,007	550,089

At the balance sheet date the Federation was holding ESFA and Local Authority grants received in advance for the 2018/19 academic year.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

	2018	2017
	£	£
ESFA loans	1,329,767	1,189,323

Included within the above are amounts falling due as follows:

	2018	2017
	£	£
BETWEEN ONE AND TWO YEARS		
Other ESFA loans	310,905	564,355
BETWEEN TWO AND FIVE YEARS		
Other ESFA loans	821,716	448,863
OVER FIVE YEARS		
Other ESFA loans	197,146	176,105

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

	2018	2017
	£	£
Repayable by instalments	197,146	176,105

The loans included above are due to the ESFA. £715,899 (2017: £1,009,981) relates to funding provided for pupil number adjustments repayable and £517,128 (2017: £503,386) 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
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
General Funds	2,450,841	3,935,153	(5,229,150)	-	-	1,156,844

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant	(1,401,695)	34,978,646	(34,146,525)	-	-	(569,574)
High Needs	-	2,570,185	(2,570,185)	-	-	-
Pupil premium	44,838	2,124,096	(2,125,654)	-	-	43,280
16-19 Allocation	-	15,177	(15,177)	-	-	-
UIFSM	-	641,788	(641,788)	-	-	-
Start up grant	-	6,625	(6,625)	-	-	-
School improvement grant	145,500	-	(145,500)	-	-	-
Primary Behaviour Support Service	-	87,760	(87,760)	-	-	-
Child and Adolescent Mental Health Services	-	130,203	(130,203)	-	-	-
Pupil referral unit	-	80,000	(80,000)	-	-	-
Young People Support Service	21,728	154,969	(176,697)	-	-	-
PE sports grant	40,227	266,426	(260,340)	-	-	46,313
Rates	-	215,049	(215,049)	-	-	-
Teaching School funding	24,152	906,459	(990,299)	-	-	(59,688)
School Condition Allocation	405,765	1,133,422	-	(1,123,588)	-	415,599
Condition Improvement Fund	129,553	-	-	(129,553)	-	-
Devolved Formula Capital	-	214,967	-	(214,967)	-	-
OCC Capital Grant	236,069	107,713	(162,075)	(113,861)	-	67,846
OCC - Opening Grant	-	198,494	(198,494)	-	-	-
Trips donations	-	702,543	(702,543)	-	-	-
DWP Grant	-	325,000	(325,000)	-	-	-
MDIF Grant	-	105,220	(105,220)	-	-	-
Other restricted funds	28,755	239,832	(268,587)	-	-	-
Pension reserve	(10,430,000)	(5,196,000)	(2,129,000)	-	4,499,000	(13,256,000)
	<u>(10,755,108)</u>	<u>40,008,574</u>	<u>(45,482,721)</u>	<u>(1,581,969)</u>	<u>4,499,000</u>	<u>(13,312,224)</u>

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	74,613,288	42,965,527	(2,671,031)	-	-	114,907,784
Fixed assets purchased from GAG and other restricted funds	5,269,484	79,097	(155,539)	1,581,969	-	6,775,011
	<u>79,882,772</u>	<u>43,044,624</u>	<u>(2,826,570)</u>	<u>1,581,969</u>	<u>-</u>	<u>21,682,795</u>
Total restricted funds	<u>69,127,664</u>	<u>83,053,198</u>	<u>(48,309,291)</u>	<u>-</u>	<u>4,499,000</u>	<u>108,370,571</u>
Total of funds	<u>71,578,505</u>	<u>86,988,351</u>	<u>(53,538,441)</u>	<u>-</u>	<u>4,499,000</u>	<u>109,527,415</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

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.

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.

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.

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 costs incurred on conversion to an academy.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

Trip donations represent donations 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 represents TWHF'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. TWHF 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 TWHF 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 TWHF was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Croft Primary Academy	263,298	263,298
Devizes School	(311,619)	(338,700)
Drove Primary School	448,524	448,524
Gloucester Academy	(99,726)	(168,204)
Gorse Hill Primary School	38,244	38,244
Haydon Wick Primary School	195,770	195,770
John Madejski Academy	(330,975)	-
Moredon Primary School	387,530	387,530
Mountford Manor Primary School	155,309	155,309
Nyland Special School	-	(8,345)
Peak Academy	(532,085)	(410,166)
The Ridgeway School & Sixth Form College	265,143	275,336
Rodbourne Cheney Primary School	283,894	283,894
Southbroom Infant School	116,624	116,624
Southwold County Primary School	-	(12,177)
Tregoze Primary School	150,323	150,323
West Kidlington Primary School & Nursery	3,940	219,470
Zouch Primary School	6,825	6,825
Central Services	59,601	522,178
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,100,620	2,125,733
Restricted fixed asset fund	121,682,795	79,882,772
Pension reserve	(13,256,000)	(10,430,000)
	<hr/>	<hr/>
Total	<u>109,527,415</u>	<u>71,578,505</u>

The deficit shown in Gloucester Academy continues to be diminished as we continue the financial turnaround (c£900k on conversion). This structural deficit should be completely eroded in the next two years. The Peak Academy deficit grew this year due to far higher than anticipated alternative provision costs. Devizes benefitted from being within TWHF for a full academic year, and has seen a small reduction in its first year deficit within TWHF, with plans in place to reduce further over future years. JMA joined in 17/18, and was projected to have a heavy deficit for its first 7 months within TWHF. Financial improvement plans are in place, but this like Devizes, will take place over future years. Southwold & Nylands prior year negative reserves have now been extinguished.

The following schools are carrying forward reserves of £nil and have not been included in the above table; Bowerhill Primary Academy, Forest and Sandridge C of E School, Gagle Brook Primary School, Greenfield Academy, Larkhill Primary School, The Manor C of E Primary School, Melksham Oak Community School, Seend C of E Primary School, Shaw C of E Primary School, St Georges C of E Primary School and St Mary's Broughton Gifford C of E Primary School.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2018 £	Total 2017 £
Bowerhill Primary Academy	104,982	8,991	117	(1,517)	112,573	-
The Croft Primary School	742,382	130,672	79,319	149,045	1,101,418	968,091
Devizes School	3,391,368	649,053	157,696	660,769	4,858,886	3,235,768
Drove Primary School	1,884,749	242,371	36,444	264,914	2,428,478	2,419,777
Forest and Sandridge C of E School	103,180	15,933	128	1,758	120,999	-
Gagle Brook Primary School	47,068	5,200	2,443	44,914	99,625	11,094
Gloucester Academy	3,654,020	705,669	123,499	990,440	5,473,628	5,363,412
Gorse Hill Primary School	1,282,311	170,116	39,956	247,322	1,739,705	1,887,663
Greenfield Academy	200,220	37,238	35,004	66,348	338,810	415,900
Haydon Wick Primary School	812,308	113,360	19,665	104,071	1,049,404	1,068,224
John Madejski Academy	1,729,840	385,989	89,389	776,756	2,981,974	-
Larkhill Primary School	477,065	52,756	10,330	58,481	598,632	-
The Manor C of E Primary School	72,432	10,500	-	1,989	84,921	-
Moredon Primary School	1,332,643	111,838	46,032	415,240	1,905,753	1,796,918
Mountford Manor Primary School	827,925	122,261	47,371	160,857	1,158,414	1,044,566
Nyland Special School	1,078,712	64,559	48,206	230,831	1,422,308	1,363,012
Melksham Oak Community School	410,833	53,155	705	6,391	471,084	-
Peak Academy	860,184	142,115	145,752	224,889	1,372,940	965,870
The Ridgeway School & Sixth Form College	5,022,303	537,432	219,755	1,628,308	7,407,798	6,847,328
Rodbourne Cheney Primary School	727,213	98,999	42,352	168,743	1,037,307	997,079
Seend C of E Primary School	34,034	2,594	178	717	37,523	-
Shaw C of E Primary School	57,123	5,588	150	2,743	65,604	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

St Georges C of E Primary School	22,647	2,284	-	1,634	26,565	-
St Mary's Broughton Gifford C of E Primary School	21,704	4,072	-	345	26,121	-
Southbroom Infants School	622,226	74,337	17,222	95,121	808,906	418,720
Southwold County Primary School	1,132,732	126,847	52,018	148,565	1,460,162	1,431,255
Tregoze Primary School	631,882	89,146	33,043	99,910	853,981	805,636
West Kidlington Primary School & Nursery	1,283,211	179,188	41,041	178,208	1,681,648	599,497
Zouch Primary School	918,520	103,559	39,452	148,146	1,209,677	976,981
Teaching School - Central	230	485,762	-	676,156	1,162,148	1,187,177
Central Services	2,545,245	2,825,022	85,292	2,092,662	7,548,221	5,394,502
	32,031,292	7,556,606	1,412,559	9,644,756	50,645,213	39,198,470

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	2,275,492	2,947,467	(2,772,118)	-	-	2,450,841

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20.

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	121,682,795	121,682,795
Current assets	1,156,844	6,740,501	-	7,897,345
Creditors due within one year	-	(5,466,958)	-	(5,466,958)
Creditors due in more than one year	-	(1,329,767)	-	(1,329,767)
Pension scheme liability	-	(13,256,000)	-	(13,256,000)
	<u>1,156,844</u>	<u>(13,312,224)</u>	<u>121,682,795</u>	<u>109,527,415</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
Provisions for liabilities and charges	-	(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>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	33,449,910	15,506,604
Adjustment for:		
Depreciation charges	2,830,094	2,586,828
Interest received	(4,597)	(13,009)
Increase in debtors	(586,687)	(849,528)
Increase in creditors	749,599	510,053
Capital grants from DfE and other capital income	(1,535,199)	(1,779,078)
Defined benefit pension scheme cost less contributions payable	1,792,000	986,000
Defined benefit pension scheme finance cost	337,000	326,000
Net (loss) on assets and liabilities from local authority on conversion	(37,696,272)	(18,016,527)
Net cash used in operating activities	(664,152)	(742,657)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	3,648,079	2,654,938
Notice deposits (less than 3 months)	1,000,000	2,500,000
	4,648,079	5,154,938

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. CONVERSION TO AN ACADEMY TRUST

On 1 March 2018 Larkhill Primary School converted from a local authority.

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.

Larkhill Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	3,088,800	3,088,800
Budget surplus/(deficit) on other school funds	31,280	-	-	31,280
LGPS pension deficit	-	231,000	-	231,000
Net assets/(liabilities)	<u>31,280</u>	<u>231,000</u>	<u>3,088,800</u>	<u>3,351,080</u>

The above net assets include £60,156 that were transferred as cash.

24. CAPITAL COMMITMENTS

At 31 August 2018 the Federation had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>532,191</u>	<u>840,000</u>

25. PENSION COMMITMENTS

TWHF'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, Berkshire 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.

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 £2,772,126 (2017: £2,076,731).

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).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

25. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £2,849,000 (2017: £1,994,000), of which employer's contributions totalled £2,260,000 (2017: £1,568,000) and employees' contributions totalled £589,000 (2017: £426,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.79 %	2.51 %
Expected return on scheme assets at 31 August	2.79 %	2.51 %
Rate of increase in salaries	2.80 %	2.79 %
Rate of increase for pensions in payment / inflation	2.37 %	2.57 %

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

	2018	2017
Retiring today		
Males	22.6 years	22.5 years
Females	24.9 years	24.9 years
Retiring in 20 years		
Males	24.3 years	24.2 years
Females	26.8 years	26.7 years

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	23,485,000	14,170,000
Bonds	5,188,000	3,084,000
Property	4,176,000	2,298,000
Cash and other liquid assets	1,060,000	429,000
Other	272,000	102,000
	34,181,000	20,083,000

The actual return on scheme assets was £2,957,000 (2017: £1,662,000).

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

	2018 £	2017 £
Current service cost	(4,041,000)	(2,532,000)
Past service cost	(8,880)	(22,000)
Interest income	576,000	343,000
Interest cost	(913,000)	(669,000)
	(4,386,880)	(2,880,000)

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

	2018 £	2017 £
Opening defined benefit obligation	30,513,000	24,572,000
Upon conversion	615,000	7,770,000
Transferred in on existing academies joining the trust	14,722,000	-
Current service cost	4,041,000	2,532,000
Interest cost	913,000	669,000
Employee contributions	587,000	426,000
Actuarial gains	(3,504,000)	(5,098,000)
Benefits paid	(383,000)	(380,000)
Past service costs	-	22,000
	47,504,000	30,513,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

25. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	20,083,000	12,274,000
Upon conversion	384,000	4,135,000
Transferred in on existing academies joining the trust	9,757,000	-
Interest income	578,000	343,000
Actuarial losses	995,000	1,717,000
Employer contributions	2,249,000	1,568,000
Employee contributions	587,000	426,000
Benefits paid	(383,000)	(380,000)
Admin expenses	(2,000)	-
	<u>34,248,000</u>	<u>20,083,000</u>

26. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of TWHF's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
AMOUNTS PAYABLE:				
Within 1 year	239,318	239,318	67,649	69,277
Between 1 and 5 years	957,272	957,272	49,443	71,886
After more than 5 years	1,675,226	1,914,544	-	-
Total	<u>2,871,816</u>	<u>3,111,134</u>	<u>117,092</u>	<u>141,163</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.

27. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

Owing to the nature of TWHF'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 TWHF's financial regulations and normal procurement procedures.

During the year, TWHF provided educational, financial and leadership support prior to The Academy Trust of Melksham joining the Federation on the 1 August 2018. TWHF charged £455,140 (2017: £Nil) in relation to these services up to the date of joining.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

28. CONTROLLING PARTY

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

29. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	3,648,079	5,154,938
Financial assets measured at amortised cost	1,555,971	1,630,214
	5,204,050	6,785,152
Financial liabilities measured at amortised cost	3,819,150	4,385,426

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

31. TRANSFER OF EXISTING ACADEMIES INTO THE FEDERATION

The Academy Trust of Melksham

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	19,415,320	-	19,415,320
Motor vehicles	45,965	-	45,965
Fixtures and fittings	145,951	-	145,951
Computer equipment	184,233	-	184,233
Debtors due after one year	238,890	-	238,890
Cash in bank and in hand	490,234	-	490,234
Liabilities			
Creditors due within one year	(644,570)	-	(644,570)
Creditors due after one year	(67,500)	-	(67,500)
Pensions			
Pensions - pension scheme liabilities	(1,260,000)	-	(1,260,000)
Net assets	18,548,523	-	18,548,523

On 1 August 2018 The Academy Trust of Melksham transferred all eight schools from its Multi Academy Trust to join TWHF. No fair value adjustments were made as part of this transfer.

John Madejski Academy

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	19,926,000	-	19,926,000
Fixtures and fittings	6,000	-	6,000
Computer equipment	80,000	-	80,000
Stock	3,000	-	3,000
Debtors due within one year	205,000	-	205,000
Cash in bank and in hand	129,000	-	129,000
Liabilities			
Creditors due within one year	(1,760,000)	1,423,000	(337,000)
Pensions			
Pensions - pension scheme liabilities	(3,705,000)	-	(3,705,000)
Net assets	14,884,000	1,423,000	16,307,000

On 1 February 2018, John Madejski Academy transferred its single school to TWHF. As part of this transaction the ESFA, agreed to write off £987,000 of pupil number adjustment loans recognised in the previous Academy Trusts accounts, the ESFA also agreed to write off the structural deficit of £436,000. These items have been shown as fair value adjustments above.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

32. AGENCY ARRANGEMENTS

TWHF distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Academy Trust received £40,944 and disbursed £25,249 from the fund. An amount of £78,472 is included in other creditors relating to undistributed funds that is repayable to ESFA.

33. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
ESFA and other government grants	911,206		999,642	
OTHER INCOME				
School to school support	252,187		186,290	
TOTAL INCOME		1,163,393		1,185,932
EXPENDITURE				
DIRECT EXPENDITURE				
Wages and salaries	425,432		243,217	
Depreciation	55,929		-	
Educational supplies & Bursary payments	525,508		792,366	
Technology costs	(705)		809	
Repairs and maintenance	300		479	
Supply teachers	975		928	
Staff development	8,270		6,689	
TOTAL DIRECT EXPENDITURE	1,015,709		1,044,488	
OTHER EXPENDITURE				
Wages and salaries	60,330		48,342	
Depreciation	10,534		-	
Professional services	119,151		90,861	
Other costs	1,289		3,486	
TOTAL OTHER EXPENDITURE	191,304		142,689	
TOTAL EXPENDITURE		1,207,013		1,187,177
DEFICIT FROM ALL SOURCES		(43,620)		(1,245)
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		(1,245)		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		(44,865)		(1,245)