

Company Registration Number: 08075785 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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

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**THE WHITE HORSE FEDERATION
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	S McMurtrie Dr F Hammans P Lender-Swain
Trustees	D Roberts - Diocese of Salisbury Corporate Member R Marsh, Vice Chair & Chair of Finance Committee ^{1,2,4,5} Dr N Capstick OBE, Chief Executive Officer ² L Gibson, Chair ^{1,3} M Collins (resigned 10 December 2018) ² C Christie, Chair of LGBs (appointed 1 September 2018) C Hopton, Chair of Audit & Risk Committee ² Dr F Hammans (resigned 10 December 2018) ^{3,4} Lt Col R Page (resigned 10 December 2018) ^{1,2} S McMurtrie (resigned 31 August 2019) ¹ C Hall, Chair of People Committee & Pay and Remuneration Committees ⁵ N Van Zeller (appointed 20 June 2019, resigned 21 October 2019) ^{1,5} J Norton (appointed 1 January 2019) ³ E Spurrier (appointed 26 July 2019) R Lewis (appointed 14 November 2019) L Nel (appointed 14 November 2019) K Poulton (appointed 22 November 2019)
	¹ Finance Committee ² Audit and Risk Committee ³ Teaching, Learning & Standards Committee ⁴ Pay and Remuneration 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 SN1 2LB
Company secretary	S Bowler
Chief executive officer	N Capstick
Senior management team	N Capstick, Chief Executive Officer S Cowley, Regional Director J Morgan, Regional Director C Belli, Regional Director S Brimfield, HR Director I Jones, COO

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

Bankers Lloyds Bank
5 High Street
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 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 24 Primary, 5 Secondary, 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 14,430 (including Nursery) and had a roll of 12,639 (including Nursery) at the end of October 2019.

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 the Academy. The current Articles of Association were adopted August 1st 2018 following the onboarding of the Academy Trust of Melksham (ATOM) with six of the eight schools being Church of England (CofE) primary schools. This necessitated changes to the Articles of Association to reflect the mixed nature of the MAT in terms of schools and to ensure governance oversight of CoE schools by the Salisbury Diocesan Board of Education.

The Trustees of The White Horse Federation are also the directors of the charitable company for the purposes of company law.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other necessary documents that they will need to undertake their role as Trustees

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.

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

GOVERNANCE

Governance of TWHF continued to evolve during the year with clear focus on long term planning, risk management and challenge as well as training of Local Boards of Governors. The sub-committees of the Board of Trustees were strengthened, and an audit of Trustees' skills and experience was carried out.

The Trust operates a number of sub-Committees that report into the Board – namely Risk & Audit, Teaching Learning and Standards, Pay & Remuneration, Finance and a People committee. The last was established in 2018 to provide strategic oversight to TWHF's HR strategy, policy and practice and to ensure that people issues are being managed effectively. The role of each sub-committee in monitoring risk management has been clarified with each sub-committee responsible for oversight of risks within its scope of activities. Minutes are provided to the Risk and Audit Committee to enable it to monitor risk management across TWHF.

Following the skills audit new Trustees have been appointed to bring additional experience of school governance, finance, risk management, 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 sub-committees 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 also 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 and HR Director. The SLT manages TWHF at an operational level, implementing the policies laid down by the Trustees. A Scheme of Delegation has been agreed with the Trustees.

The 32 schools are managed across three main Hubs with a Regional Director having oversight, these being

- Swindon,
- Wiltshire,
- Gloucester and Oxfordshire & Berkshire.

Central Services covering key functional areas are located 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. Defined spending authorities are devolved to budget holders. The CEO and Regional Directors are responsible for the appointment of teaching and teaching support staff. The COO is responsible for appointing non-teaching support staff working closely with functional leads. Senior role appointments always include a Trustee on the interview panel.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

At the 31 August 2019 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, Grange Infants, Grange Juniors, St Mary All Saints, 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, Melksham Oak
- Special Schools - Peak, Nyland, St Lukes

During the period TWHF also operated two Primary focused Teaching Schools.

The CEO, Dr N Capstick OBE 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 although PTAs exist in some of the schools within the Federation

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- Continue to raise the standard of educational attainment and achievement of all pupils;
- Provide a broad and balanced curriculum, including extracurricular 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; and
- Conduct TWHF business in accordance with the highest standards of integrity, probity and openness.

TWHF aims 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 the Academy's 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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. Key achievements in 2018/2019 included:

1. Continued strong performance in Current Schools

At Primary Level

- Primary schools performed well and often above national averages in all areas except at KS2 which was again broadly in line with national norms;
- Particular strengths were shown in Phonic testing in Year 1 and the combined RWM score at KS1 which was 2.1% above national norms;
- Of particular note was the inspection of Southwold Primary School in January 2019 when the school moved from its predecessor grade of Requires Improvement in 2014 to becoming an Ofsted rated Good school following a section 5 inspection;
- The Trust also had positive movement within the Wiltshire hub in which we saw a majority of the previously known "ATOM" schools move from being below national averages to being above in 2018/19;
- All Primary schools currently have permanent Principals/Headteachers for the first time in three years; and
- A majority of Local Governing bodies are rated at least good by the independent consultant charged with improving Governance at TWHF.

Results for the primary schools as follows:

EYFS

National	MAT average	Difference
71%	74%	2.20%

Phonics

National	MAT average	Difference
81.90%	85%	3.10%

Key Stage 1 Overall

Subject	National	MAT average	Difference
Reading	74.90%	76%	1.10%
Writing	69.20%	70%	0.80%
Maths	75.60%	76%	0.4
RWM	64.90%	67%	2.10%

Key Stage 2 Overall

Subject	National	MAT average	Difference
Reading	73%	72%	-1%
Writing	78%	78%	-
Maths	79%	75%	-4%
RWM	65%	62%	-3%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	KS1 Reading	KS1 Writing	KS1 Maths	Y1 Phonics	KS2 – Combined R / W / M
National 2019	74.9%	69.2%	75.6%	81.9%	65.0%
Bowerhill *	76%	71%	76%	95%	57%
Drove	77%	75%	83%	80%	71%
Forest & Sandridge *	81%	72%	81%	90%	54%
Gorse Hill	76%	72%	80%	88%	45%
Grange Infants	75%	74%	74%	78%	-
Grange Juniors	-	-	-	-	58%
Haydon Wick	75%	70%	80%	88%	73%
Larkhill	77%	72%	79%	79%	62%
Moredon	76%	73%	80%	81%	76%
Mountford	63%	63%	70%	62%	32%
Rodbourne	77%	73%	80%	83%	66%
Seend *	93%	80%	86%	78%	78%
Shaw *	79%	76%	76%	100%	70%
Southbroom	72%	53%	66%	80%	-
Southwold	76%	73%	73%	79%	72%
St. Georges *	75%	81%	75%	93%	83%
SMAS	41%	27%	43%	73%	33%
St. Mary's Broughton Gifford *	100%	86%	86%	93%	78%
The Croft	71%	60%	72%	86%	67%
The Manor *	76%	68%	78%	80%	25%
Tregoze	80%	77%	83%	93%	78%
West Kidlington	72%	64%	78%	89%	62%
Zouch	82%	82%	82%	93%	71%

* formerly part of ATOM trust

At Secondary level,

Using P8 as a key metric the following was recorded:

- Ridgway School returned strong results with a positive P8 value, breaching the +0.36 P8 marker this year for the first time combined with a significant reduction in the difference between disadvantaged and all pupils compared to previous years;
- Devizes School has made a significant improvement in its P8 score of +0.3 and has also seen a marked reduction in the difference between disadvantaged and all pupils;
- Melksham Oak Secondary school is performing broadly in line with national averages for the first time since 2017; and
- Gloucester Academy remains below national averages.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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

School	A8	P8	5-9 Basics (English & Maths)	KS5 VA - A' Level	KS5 VA - Vocational
National Data 2018 <i>(2019 not available)</i>	46.53	-0.03	53%	0.03	0.04
Devizes	47.2	0.209	43.70%	-0.59	0.28
GA	26.4	-1.48	10.10%	-0.48	-0.37
JMA	35.7	-0.64	14.90%	-0.41	-0.36
Melksham Oak	40.32	-0.24	30.30%	0.4	Unavailable
The Ridgeway	52.06	0.3	51%	-0.34	-0.33

2. Improved capability of services and Staff

- New People Committee established focussing on Talent and Development. The role for HR Director has developed into Director for People including a remit over training, development and wellbeing;
- Consolidation of accounting systems and procurement systems has continued through the year; and
- Continued development in regional Hubs and structures with a focus on School Improvement.

3 Growth of new schools

- 2018/19 was a period of consolidation and embedding of the schools joining in prior year;
- 4 schools were on boarded in 2018/19: St Mary's All Saints, St Lukes, Grange Infants and Grange Juniors; and
- Increased capacity utilisation including following improved performance at Devizes, Zouch, Ridgeway, JMA.

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

- Devizes roof replacement in certain areas and Fire Alarm replacement;
- Boiler replacements; and
- Development of enhanced facilities at St Lukes.

Key Performance Indicators

TWHF uses 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 2018/19 were 12,639 an increase of 1,287 over 2017/18.

Budget setting and monitoring has a clear focus on Integrated Curriculum Financial Planning (ICFP).

Going Concern

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

THE WHITE HORSE FEDERATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL REVIEW

Financial Review

Most of TWHF income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 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 £537k driven by the investment in school improvement structures as well as the impact of financial performance of recent schools on boarded.

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

Operational View

£000's		2019	2018
Income in period		72,228	47,684
Expenditure	Staff costs	56,640	39,404
	Other	16,125	8,836
	Total	72,765	48,240
Operational management surplus / (loss) in period		- 537	- 556
One off items due to MAT repositioning		-	180
Overall operational Management surplus / (loss) in period		- 537	736
Capital funds movement from current and prior year income streams		391	288
Total surplus / (loss) Including capital movements		- 146	1,024

At 31 August 2019 the net book value of fixed assets was £135.4m and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the 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 £14.8m. 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 29 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees have a policy to maintain a free 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. As at the end of August 2019, while cash reserves remain strong the level of free reserves remains a concern and a number of steps are underway to address these levels in the coming years. It should be noted that the lower reserves have been driven by the growth in number a number of schools joining the Trust in recent years with negative finance positions

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.

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 EFA. 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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

DISCLOSURE OF INFORMATION TO AUDITORS

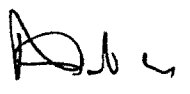
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

AUDITORS

The auditors, Bishop Fleming Bath Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 16/12/2019 and signed on its behalf by:



**L Gibson
(Chair of Trustees)**

**THE WHITE HORSE FEDERATION
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to 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 statement of trustees' responsibilities. The board of Trustees has formally 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
R Marsh, Vice Chair & Chair of Finance Committee	4	4
Dr N Capstick OBE, Chief Executive Officer	4	4
L Gibson, Chair	4	4
M Collins	2	2
C Christie, Chair of LGBs	4	4
C Hopton, Chair of Audit & Risk Committee	4	4
Dr F Hammans	1	1
Lt Col R Page	2	2
S McMurtrie	4	4
C Hall, Chair of People Committee & Pay and Remuneration Committee	3	4
N Van Zeller	3	3
J Norton	2	2
E Spurrier	0	0

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The board of Trustees has formally met 4 times during the year of which one of these is part of a two day strategy session which looks at the long term vision and future growth of the Trust. In addition, as required, meetings are held between official Board meetings to ensure important decisions and/or issues are dealt with quickly and efficiently.

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 has formally met 4 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S McMurtrie, Chair of Finance Committee	4	4
Lt Col R Page	2	2
L Gibson	1	1
N Van Zeller	1	2

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The purpose of the Audit & Risk Committee is to oversee the financial reporting process, including audit, through the year and at year end. In addition the Committee oversees the internal control and risk management framework for the Federation. The Audit & Risk Committee have formally met 4 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Hopton, Chair of the Risk and Audit Committee	4	4
M Collins	1	1
R Marsh	2	2
Lt Col R Page	2	2

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 actions across the educational framework of the schools in TWHF.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Collins - Chair until 31st Oct 2018	2	2
F Hammans	2	2
N Gibson - Chair from 31st Oct 2018	3	3
J Norton	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 comprises of F Hammans (Chair) and R Marsh.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
F Hammans	1	2
C Macleod	2	2
R Marsh	1	2

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

From August 2018 a new Peoples Committee has been formed with the main focus on Employee engagement, performance evaluations, benefits and well-being of staff.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C MaCleod - Chair	3	3
R Marsh	1	2
S McMurtrie	2	3
N Van Zeller	2	3

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

- Recruitment of a Procurement manager to deliver cost savings across the Trust;
- Renegotiation of our Insurance policies, providing greater coverage at a reduced per pupil cost to TWHF;
- Embedding hub structure into TWHF;
- Enhancement of our budget setting process, to allow Principals to focus on teaching and learning objectives;
- Installation of Solar panels with FiT in 10 of our schools;
- Consolidation of various catering contracts into one large MAT wide contract.

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. It is of the view that there is a formal ongoing process for identifying, evaluating and managing TWHF's significant risks that has been in place for the year to 31 August 2019 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 WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint RSM as internal auditor.

The internal auditor's 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 through the audit committee 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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit 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 16/12/2019 and signed on their behalf by:



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 Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



N Capstick
Accounting Officer

Date: 16/12/2019

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

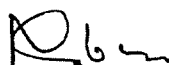
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on 16/12/2019 and signed on its behalf by:



L Gibson
Chair of Trustees

**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 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & 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 Academy 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 Academy'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.

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

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

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 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 including the Strategic 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic 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.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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.

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 Academy and its members, 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: 20/12/2019

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Academy'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.

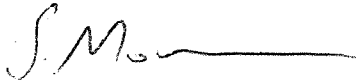
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrision FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 20/12/2019

THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	3					
Acquired from other Academy Trusts		-	-	-	-	34,855,523
Transfer on conversion		327,404	(1,154,000)	14,789,736	13,963,140	2,889,080
Other donations and capital grants		718,916	3,789,432	-	4,508,348	2,660,492
Charitable activities	4	2,860,280	63,908,396	-	66,768,676	45,223,126
Teaching schools	35	14,881	548,903	-	563,784	1,163,393
Other trading activities	6	384,770	-	-	384,770	192,211
Investments	7	2,547	-	-	2,547	4,526
TOTAL INCOME		4,308,798	67,092,731	14,789,736	86,191,265	86,988,351
EXPENDITURE ON:						
Charitable activities		4,698,938	67,421,976	3,406,218	75,527,132	52,331,428
Teaching schools	35	-	614,374	29,861	644,235	1,207,013
Other expenditure		-	-	-	-	-
TOTAL EXPENDITURE		4,698,938	68,036,350	3,436,079	76,171,367	53,538,441
NET INCOME / (EXPENDITURE)		(390,140)	(943,619)	11,353,657	10,019,898	33,449,910
Transfers between funds	21	-	(2,375,805)	2,375,805	-	-
NET MOVEMENT BEFORE OTHER GAINS / (LOSSES)		(390,140)	(3,319,424)	13,729,462	10,019,898	33,449,910
Actuarial losses on defined benefit pension schemes	29	-	(7,822,000)	-	(7,822,000)	4,499,000
NET MOVEMENT IN FUNDS		(390,140)	(11,141,424)	13,729,462	2,197,898	37,948,910
Total funds brought forward		1,156,844	(13,312,224)	121,682,795	109,527,415	71,578,505
Net movement in funds		(390,140)	(11,141,424)	13,729,462	2,197,898	37,948,910
TOTAL FUNDS CARRIED FORWARD		766,704	(24,453,648)	135,412,257	111,725,313	109,527,415

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

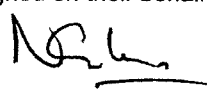
The notes on pages 27 to 65 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	135,412,257	121,682,795
CURRENT ASSETS			
Debtors	16	2,867,113	3,249,266
Investments	17	1,000,000	1,000,000
Cash at bank and in hand		2,838,564	3,648,079
		<u>6,705,677</u>	<u>7,897,345</u>
Creditors: amounts falling due within one year	18	(4,870,438)	(5,466,958)
NET CURRENT ASSETS		1,835,239	2,430,387
TOTAL ASSETS LESS CURRENT LIABILITIES		137,247,496	124,113,182
Creditors: amounts falling due after more than one year	19	(881,183)	(1,329,767)
NET ASSETS EXCLUDING PENSION LIABILITY		136,366,313	122,783,415
Defined benefit pension scheme liability	29	(24,641,000)	(13,256,000)
TOTAL NET ASSETS		111,725,313	109,527,415
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	21	135,412,257	121,682,795
Restricted income funds	21	187,352	(56,224)
		<u>135,599,609</u>	<u>121,626,571</u>
Restricted funds excluding pension asset	21	135,599,609	121,626,571
Pension reserve	21	(24,641,000)	(13,256,000)
Total restricted funds	21	110,958,609	108,370,571
Unrestricted income funds	21	766,704	1,156,844
TOTAL FUNDS		111,725,313	109,527,415

The financial statements on pages 23 to 65 were approved by the Trustees, and authorised for issue on 16/12/2019 and are signed on their behalf, by:


L Gibson
(Chair of Trustees)

The notes on pages 27 to 65 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 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	23	(876,702)	(664,152)
CASH FLOWS FROM INVESTING ACTIVITIES	25	291,235	(198,049)
CASH FLOWS FROM FINANCING ACTIVITIES	24	(224,048)	355,342
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(809,515)	(506,859)
Cash and cash equivalents at the beginning of the year		4,648,079	5,154,938
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	<u>3,838,564</u>	<u>4,648,079</u>

The notes on pages 27 to 65 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 2019**

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 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The White Horse Federation meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 and have concluded that the Academy has adequate resources and cash to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern. The on-boarding of schools with significant financial issues and deficits, allied with general growth on the Trust, has placed a substantial strain on level of free reserves, and this remains a key focus for Trustees in the coming year. Turnaround of these schools will take time (typically three plus years) but a number of initiatives are underway to drive increased reserve levels and these are at the forefront of S.I.T. and committee meetings. The Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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 grants are reflected in the balance sheet 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**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 EXPENDITURE

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.7 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- straight line over 50 years
Long-term leasehold land	- straight line over 125 years
Long-term leasehold property	- straight line over 50 years
Furniture and equipment	- straight line over 5 years
Computer equipment	- straight line over 3 years
Motor vehicles	- straight line over 5 years

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

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.

**THE WHITE HORSE FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 LIABILITIES

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

1.11 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases 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 16. Prepayments are not financial instruments. Amounts due to the Academy'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 cost as detailed in notes 18 and 19. 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 instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 OPERATING LEASES

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

**THE WHITE HORSE FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

1.14 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy 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 Grange Hill Infants School, Grange Hill Junior School, St Lukes School and St Marys & All Saints School to the Academy 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 Income from Donations and Capital Grants in the statement of financial activities 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 which were performed using the Depreciated Replacement Cost method.

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

Further details of the transaction are set out in note 27.

**THE WHITE HORSE FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.15 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 33.

1.16 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

1.17 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.

**THE WHITE HORSE FEDERATION
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FOR THE YEAR ENDED 31 AUGUST 2019**

2. 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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2019. 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.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS				
Acquired from other Academy Trusts	-	-	-	34,855,523
Transfer on conversion	327,404	13,635,736	13,963,140	2,889,080
Donations	718,916	1,124,939	1,843,855	1,149,658
Capital Grants	-	2,664,493	2,664,493	1,510,834
	<u>1,046,320</u>	<u>17,425,168</u>	<u>18,471,488</u>	<u>40,405,095</u>
TOTAL 2018	<u>422,191</u>	<u>39,982,904</u>	<u>40,405,095</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	1,185,517	63,887,587	65,073,104	43,528,064
Nursery	1,345,263	-	1,345,263	1,043,926
Support to other schools	119,543	20,809	140,352	463,988
Leisure facilities	209,957	-	209,957	187,148
TOTAL 2019	2,860,280	63,908,396	66,768,676	45,223,126
TOTAL 2018	3,064,038	42,159,088	45,223,126	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA grants				
General Annual Grant	-	52,690,902	52,690,902	34,912,315
Other DfE/ESFA grants	-	5,421,854	5,421,854	3,359,268
	-	58,112,756	58,112,756	38,271,583
Othe Government grants				
High Needs	-	4,433,515	4,433,515	2,570,185
Other government revenue grants	-	1,341,316	1,341,316	1,255,736
	-	5,774,831	5,774,831	3,825,921
Other funding				
Internal catering income	856,262	-	856,262	721,879
Sales to students	32,777	-	32,777	22,198
Other	296,478	-	296,478	686,483
	1,185,517	-	1,185,517	1,430,560
	1,185,517	63,887,587	65,073,104	43,528,064
TOTAL 2018	1,430,560	42,097,504	43,528,064	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	384,770	-	384,770	192,211
Income from other activities	1,674,763	20,809	1,695,572	1,695,062
	2,059,533	20,809	2,080,342	1,887,273
TOTAL 2018	1,825,689	61,584	1,887,273	

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NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	2,547	2,547	4,526

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	46,783,670	2,446,347	4,663,024	53,893,041	36,016,616
Support costs	8,035,065	4,301,805	7,596,046	19,932,916	14,347,501
NURSERY:					
Direct costs	1,267,888	52,100	20,131	1,340,119	1,100,565
Support costs	-	668	4,476	5,144	4,193
SUPPORT TO OTHER SCHOOLS:					
Direct costs	130,698	6,121	-	136,819	341,406
Support costs	-	-	4,565	4,565	306,787
LEISURE FACILITIES:					
Direct costs	167,696	8,294	2,941	178,931	186,891
Support costs	-	33,178	2,419	35,597	27,469
TEACHING SCHOOL	255,037	283,789	105,409	644,235	1,207,013
	<u>56,640,054</u>	<u>7,132,302</u>	<u>12,399,011</u>	<u>76,171,367</u>	<u>53,538,441</u>
TOTAL 2018	<u>39,583,898</u>	<u>5,073,356</u>	<u>8,881,187</u>	<u>53,538,441</u>	

THE WHITE HORSE FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	53,893,041	19,932,916	73,825,957	50,364,117
Nursery	1,340,119	5,144	1,345,263	1,104,758
Support for other schools	136,819	4,565	141,384	648,193
Leisure facilities	178,931	35,597	214,528	214,360
TOTAL 2019	55,548,910	19,978,222	75,527,132	52,331,428
TOTAL 2018	37,645,478	14,685,950	52,331,428	

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Support to other schools 2019 £	Leisure facilities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	399,000	-	-	-	399,000	337,000
Staff costs	45,568,346	1,267,888	130,698	167,696	47,134,628	31,518,931
Depreciation	2,446,347	52,100	6,121	8,294	2,512,862	1,998,859
Educational supplies	2,219,236	17,580	-	-	2,236,816	1,412,559
Examination fees	490,775	-	-	-	490,775	326,498
Staff development	271,984	459	-	-	272,443	189,831
Other costs	1,451,923	2,092	-	2,941	1,456,956	1,012,279
Supply teachers	803,596	-	-	-	803,596	510,112
Technology costs	58,884	-	-	-	58,884	103,701
PFI charges	182,950	-	-	-	182,950	235,708
TOTAL 2019	53,893,041	1,340,119	136,819	178,931	55,548,910	37,645,478
TOTAL 2018	36,016,616	1,100,565	341,406	186,891	37,645,478	

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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Support to other schools 2019 £	Leisure facilities 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	8,446,793	-	-	-	8,446,793	7,069,093
Depreciation	891,706	-	-	1,650	893,356	761,248
Other costs	38,087	-	-	1,092	39,179	29,886
Recruitment and support	975,238	-	-	-	975,238	357,731
Maintenance of premises and equipment	1,179,683	417	-	31,528	1,211,628	867,441
Cleaning	635,724	251	-	-	635,975	345,630
Rent and rates	575,388	-	-	-	575,388	317,107
Energy costs	1,018,597	-	-	-	1,018,597	674,887
Insurance	184,228	-	-	-	184,228	186,291
Security and transport	178,188	-	-	-	178,188	170,734
Catering	2,331,444	2,374	-	1,327	2,335,145	1,469,781
Technology costs	615,503	1,690	-	-	617,193	464,604
Office overheads	653,134	237	-	-	653,371	465,042
Legal and professional	2,038,136	175	4,565	-	2,042,876	1,452,463
Bank interest and charges	3,910	-	-	-	3,910	4,688
Governance costs	167,157	-	-	-	167,157	49,324
	<u>19,932,916</u>	<u>5,144</u>	<u>4,565</u>	<u>35,597</u>	<u>19,978,222</u>	<u>14,685,950</u>
TOTAL 2018	<u>14,347,501</u>	<u>4,193</u>	<u>306,787</u>	<u>27,469</u>	<u>14,685,950</u>	

**THE WHITE HORSE FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	96,557	69,277
Depreciation of tangible fixed assets	3,436,079	2,830,093
PFI Charges	182,950	239,318
Fees paid to auditors for:		
- audit	38,500	38,800
- other services	6,275	7,075
	<u>38,500</u>	<u>38,800</u>
	<u>6,275</u>	<u>7,075</u>

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	42,436,446	29,256,091
Social security costs	3,716,785	2,565,430
Pension costs	9,523,936	7,000,647
	<u>55,677,167</u>	<u>38,822,168</u>
Staff restructuring costs	159,291	251,618
Supply teacher costs	803,596	510,112
	<u>159,291</u>	<u>251,618</u>
	<u>803,596</u>	<u>510,112</u>
	<u>56,640,054</u>	<u>39,583,898</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £89,002 (2018: £180,374). The statutory redundancy payments individually during the year were: £23,478, £17,028, £13,135, £8,752,, £7,500, £5,203, £4,466, £3,741, £3,200 and £2,500.

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	678	457
Educational support	1,157	857
Administration and other support	189	140
Management	95	69
	<u>2,119</u>	<u>1,523</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	573	385
Educational support	499	485
Administration and other support	132	99
Management	92	67
	<u>1,296</u>	<u>1,036</u>

d. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	20	20
In the band £70,001 - £80,000	5	4
In the band £80,001 - £90,000	5	5
In the band £90,001 - £100,000	2	4
In the band £100,001 - £110,000	2	3
In the band £110,001 - £120,000	1	1
In the band £160,001 - £170,000	-	1
In the band £180,001 - £190,000	1	1
In the band £190,001 - £200,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £524,014 (2018: £201,942).

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11. STAFF COSTS (CONTINUED)

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 £895,960 (2018: £759,608). TWHF run a robust review of executive level remuneration and this falls under the remit of the pay and remuneration committee.

12. CENTRAL SERVICES

The Academy 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.

13. 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 (2018: £195,000 - £200,000), Employer's pension contributions £30,000 - £35,000 (2018: £30,000 - £35,000).

During the year ended 31 August 2019, expenses totalling £1,430 were reimbursed or paid directly to 3 Trustees (2018 - £8,041 to 2 Trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. 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 the cost for the year ended 31 August 2019 was £2,649 (2018 - £4,456). The cost of this insurance is included in the total insurance cost.

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2018	36,872,553	89,364,654	3,177,972	2,021,454	144,705	131,581,338
Additions	290,069	1,422,890	562,398	100,448	-	2,375,805
Transfers intra group	-	14,789,736	-	-	-	14,789,736
At 31 August 2019	<u>37,162,622</u>	<u>105,577,280</u>	<u>3,740,370</u>	<u>2,121,902</u>	<u>144,705</u>	<u>148,746,879</u>
DEPRECIATION						
At 1 September 2018	1,978,313	3,491,722	2,533,338	1,787,722	107,448	9,898,543
Charge for the year	445,368	1,757,788	961,998	245,246	25,679	3,436,079
At 31 August 2019	<u>2,423,681</u>	<u>5,249,510</u>	<u>3,495,336</u>	<u>2,032,968</u>	<u>133,127</u>	<u>13,334,622</u>
NET BOOK VALUE						
At 31 August 2019	<u>34,738,941</u>	<u>100,327,770</u>	<u>245,034</u>	<u>88,934</u>	<u>11,578</u>	<u>135,412,257</u>
At 31 August 2018	<u>34,894,240</u>	<u>85,872,932</u>	<u>644,634</u>	<u>233,732</u>	<u>37,257</u>	<u>121,682,795</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 (2018: £6,789,180) of land, which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	67,705	91,787
Other debtors	99,427	63,241
Prepayments and accrued income	1,890,489	2,522,979
VAT repayable	809,492	571,259
	<u>2,867,113</u>	<u>3,249,266</u>

17. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Deposit accounts	<u>1,000,000</u>	<u>1,000,000</u>

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
ESFA loans	449,935	552,804
Trade creditors	499,765	866,498
Other taxation and social security	952,482	928,942
Other creditors	1,334,006	1,070,081
Accruals and deferred income	1,634,250	2,048,633
	<u>4,870,438</u>	<u>5,466,958</u>
	2019 £	2018 £
Deferred income at 1 September 2018	988,007	550,089
Resources deferred during the year	1,425,206	988,007
Amounts released from previous periods	(988,007)	(550,089)
	<u>1,425,206</u>	<u>988,007</u>

At the balance sheet date the Federation was holding ESFA and Local Authority grants received in advance for the 2019/20 academic year.

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FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
ESFA loans	<u>881,183</u>	<u>1,329,767</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>104,295</u>	<u>197,146</u>

The loans included above are due to the ESFA. £430,631 (2018: £715,899) relates to funding provided for pupil number adjustments repayable and £450,552 (2018: £517,128) 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.

20. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	3,838,564	3,648,079
Financial assets that are debt instruments measured at amortised cost	819,405	1,555,971
	<u>4,657,969</u>	<u>5,204,050</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(3,690,089)</u>	<u>(3,819,150)</u>

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

Financial assets that are debt instruments measured at amortised cost comprise of accrued income and trade debtors.

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	1,156,844	4,308,798	(4,698,938)	-	-	766,704
RESTRICTED GENERAL FUNDS						
General Annual Grant	(569,574)	53,072,964	(53,069,385)	-	-	(565,995)
High Needs	-	4,433,515	(4,433,515)	-	-	-
Pupil premium	43,280	3,114,570	(3,157,850)	-	-	-
16-19 Allocation	-	49,967	(49,967)	-	-	-
UIFSM	-	1,005,963	(1,005,963)	-	-	-
Other DfE/ESFA grants	-	611,882	(611,882)	-	-	-
Other grants	-	162,750	(162,750)	-	-	-
Primary Behaviour Support Service	-	87,060	(87,060)	-	-	-
Child and Adolescent Mental Health Services	-	251,928	(251,928)	-	-	-
Pupil referral unit	-	111,673	(111,673)	-	-	-
Young People Support Service	-	162,864	(162,864)	-	-	-
PE sports grant	46,313	508,067	(554,380)	-	-	-
SBC capital grant	-	474,279	-	(474,279)	-	-
Teaching School funding	(59,688)	512,430	(503,968)	-	-	(51,226)
School Condition Allocation	415,599	1,488,409	(69,966)	(1,239,916)	-	594,126
Devolved Formula Capital	-	862,267	(58,056)	(613,944)	-	190,267
OCC Capital Grant	67,846	150,000	(150,000)	(47,666)	-	20,180
Other restricted income	-	61,204	(61,204)	-	-	-
Trips donations	-	1,124,939	(1,124,939)	-	-	-

THE WHITE HORSE FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Pension reserve	(13,256,000)	(1,154,000)	(2,409,000)	-	(7,822,000)	(24,641,000)
	<u>(13,312,224)</u>	<u>67,092,731</u>	<u>(68,036,350)</u>	<u>(2,375,805)</u>	<u>(7,822,000)</u>	<u>(24,453,648)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	114,907,784	14,789,736	(2,185,848)	-	-	127,511,672
Fixed assets purchased from GAG and other restricted	6,775,011	-	(1,250,231)	2,375,805	-	7,900,585
	<u>121,682,795</u>	<u>14,789,736</u>	<u>(3,436,079)</u>	<u>2,375,805</u>	<u>-</u>	<u>135,412,257</u>
TOTAL RESTRICTED FUNDS	<u>108,370,571</u>	<u>81,882,467</u>	<u>(71,472,429)</u>	<u>-</u>	<u>(7,822,000)</u>	<u>110,958,609</u>
TOTAL FUNDS	<u>109,527,415</u>	<u>86,191,265</u>	<u>(76,171,367)</u>	<u>-</u>	<u>(7,822,000)</u>	<u>111,725,313</u>

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

RESTRICTED FUNDS

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the schools.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. STATEMENT OF FUNDS (CONTINUED)

Primary Behaviour Support Service and Young people support service funding received from Swindon Borough Council to support early years and mainstream pupils in their mainstream setting for early intervention and whole school training and further support as students move through their education.

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 cost incurred on conversion to an academy.

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

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

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

FIXED ASSET FUNDS

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

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

TRANSFERS BETWEEN FUNDS

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
The Croft Primary Academy	-	163,298
Devizes School	(91,514)	(311,619)
Drove Primary School	-	148,524
Gloucester Academy	(278,790)	(99,726)
Gorse Hill Primary School	-	38,244
Haydon Wick Primay School	-	145,770
John Madejski Academy	(293,583)	(330,975)
Moredon Primary School	-	187,530
Mountford Manor Primary School	-	125,309
Peak Academy	(435,076)	(532,085)
The Ridgeway School & Sixth Form College	-	115,143
Rodbourne Cheyney Primary School	-	183,894
Southbroom Infants School	-	96,624
Tregoze Primary School	-	100,323
West Kidlington Primary School & Nursery	-	3,940
Zouch Primary School	-	6,825
Central	2,053,019	1,059,601
Total before fixed asset funds and pension reserve	954,056	1,100,620
Restricted fixed asset fund	135,412,257	121,682,795
Pension reserve	(24,641,000)	(13,256,000)
TOTAL	111,725,313	109,527,415

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21. STATEMENT OF FUNDS (CONTINUED)

TWHF successfully operates a GAG pooling approach to its Income, and further to that collective approach, operate their budget setting and accounting structures on a contribution basis – ie the Trust do not top slice, which has been the traditional approach to the funding of the central and strategic functions of schools historically

The approach we take to reserves is slightly more stepped approach to the blanket “All reserves are Central” – which is an approach that is increasingly being taken across the sector, particularly in the larger MAT’s .

Given the trust has a reputation for taking on challenging schools, it is important both to recognise the scale of the impact these turnarounds have financially on the trust, and then to mark the progress that has occurred in the turnaround.

To that end, if a school has negative contribution (defined by Expenses allocated greater than Income allocated) , we will show that as negative reserves in the annual accounts. Then, as the school continues its improvement journey and starts to turn a positive contribution, then this be reflected in the reserves position.

Once those negative reserves have been extinguished, reserves will be shown centrally along with all other schools.

School with negative reserves

Three schools have improved in 2018/19, with John Madejski Academy making a small positive contribution and Devizies and Peak continuing their journey. In the year, post its OFSTED inspection in May 18, we have allocated greater resources to Gloucester Academy in order to effect change. As a result, this financial year their reserves have deteriorated

Of the 8 former ATOM schools, the two Grange Schools, St Lukes and St Marys & All Saints who have joined since August 2018, any positive contribution will be directed to the centre, whilst schools who have had historic reserves in the trust, we have now moved these all to the centre – which was a process that began two years ago, and this is is the final step.

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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 2019 £	Total 2018 £
Bowerhill Primary Academy	1,253,852	26,655	182,653	105,926	1,569,086	112,573
The Croft Primary Academy	1,000,041	77,394	216,111	147,735	1,441,281	1,101,418
Devizes School	3,689,732	111,634	913,239	638,215	5,352,820	4,858,886
Drove Primary School	2,035,883	48,845	240,871	265,132	2,590,731	2,428,478
Forest and Sandridge C of E School	1,320,901	52,171	221,231	120,631	1,714,934	120,999
Gagle Brook Primary School	179,815	11,555	42,160	39,036	272,566	99,625
Gloucester Academy	3,797,303	156,227	953,210	659,750	5,566,490	5,473,628
Gorse Hill Primary School	1,342,356	61,563	261,333	136,976	1,802,228	1,739,705
Greenfield Academy	-	-	-	-	-	338,810
Grange Infant School	369,523	6,732	67,341	55,794	499,390	-
Grange Junior School	500,209	10,377	104,927	58,649	674,162	-
Haydon Wick Primay School	801,564	33,032	123,881	123,566	1,082,043	1,049,404
John Madejski Academy	2,759,312	162,327	1,281,027	313,089	4,515,755	2,981,974
Larkhill Primary School	902,252	28,374	141,830	98,645	1,171,101	598,632
The Manor C of E Primary School	905,433	34,160	125,843	118,266	1,183,702	84,921
Moredon Primary School	1,335,930	44,888	361,461	120,904	1,863,183	1,905,753
Mountford Manor Primary School	879,277	38,066	146,174	125,842	1,189,359	1,158,414

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21. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Melksham Oak Community School	4,919,826	157,191	892,892	582,647	6,552,556	471,084
Nyland Special School	1,152,937	46,575	210,303	70,617	1,480,432	1,422,308
Peak Academy	1,156,198	160,026	282,715	178,158	1,777,097	1,372,940
The Ridgeway School & Sixth Form College	5,565,093	374,995	1,365,796	645,261	7,951,145	7,407,798
Rodbourne Cheyney Primary School	766,640	53,069	167,350	99,349	1,086,408	1,037,307
Seend C of E Primary School	383,150	25,864	72,166	29,516	510,696	37,523
Shaw C of E Primary School	700,336	17,895	124,492	67,069	909,792	65,604
St Georges C of E Primary School	370,672	23,060	62,285	24,641	480,658	26,565
St Mary's Broughton Gifford C of E Primary School	294,720	29,443	83,071	41,563	448,797	26,121
St Marys & All Saints Church of England Primary School	1,022,351	31,011	236,685	119,001	1,409,048	-
Southbroom Infants School	605,924	15,754	114,773	71,845	808,296	808,906
Southwold County Primary School	971,971	38,049	167,779	124,756	1,302,555	1,460,162
St. Lukes Academy	1,082,076	238,438	456,050	177,303	1,953,867	-
Tregoze Primary School	678,866	25,063	94,429	92,438	890,796	853,981
West Kidlington Primary School & Nursery	1,255,419	33,519	132,818	158,901	1,580,657	1,681,648
Zouch Primary School	1,152,417	50,129	166,784	117,556	1,486,886	1,209,677

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. STATEMENT OF FUNDS (CONTINUED)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Teaching School - Central	197,972	60	409,010	57,065	664,107	1,162,148
Central services	3,257,963	374,744	3,344,371	1,975,586	8,952,664	7,548,221
ACADEMY	48,607,914	2,598,885	13,767,061	7,761,428	72,735,288	50,645,213

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	2,450,841	3,935,153	(5,229,150)	-	-	1,156,844
RESTRICTED GENERAL FUNDS						
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)	-	-	-
Other DfE/ESFA grants	145,500	221,674	(367,174)	-	-	-
Other grants	-	410,220	(410,220)	-	-	-
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
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 Grant	236,069	306,207	(360,569)	(113,861)	-	67,846

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Other restricted income	28,755	239,832	(268,587)	-	-	-
Trips donations	-	702,543	(702,543)	-	-	-
Pension reserve	(10,430,000)	(5,196,000)	(2,129,000)	-	4,499,000	(13,256,000)
	<u>(10,755,108)</u>	<u>39,988,574</u>	<u>(45,462,721)</u>	<u>(1,581,969)</u>	<u>4,499,000</u>	<u>(13,312,224)</u>
RESTRICTED FIXED ASSET FUNDS						
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	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>121,682,795</u>
TOTAL RESTRICTED FUNDS	<u>69,127,664</u>	<u>83,033,198</u>	<u>(48,289,291)</u>	<u>-</u>	<u>4,499,000</u>	<u>108,370,571</u>
TOTAL FUNDS	<u>71,578,505</u>	<u>86,968,351</u>	<u>(53,518,441)</u>	<u>-</u>	<u>4,499,000</u>	<u>109,527,415</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	135,412,257	135,412,257
Current assets	766,704	5,938,973	-	6,705,677
Creditors due within one year	-	(4,870,438)	-	(4,870,438)
Creditors due in more than one year	-	(881,183)	-	(881,183)
Provisions for liabilities and charges	-	(24,641,000)	-	(24,641,000)
TOTAL	<u>766,704</u>	<u>(24,453,648)</u>	<u>135,412,257</u>	<u>111,725,313</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
Provisions for liabilities and charges	-	(13,256,000)	-	(13,256,000)
TOTAL	1,156,844	(13,312,224)	121,682,795	109,527,415

23. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per statement of financial activities)	10,019,898	33,449,910
ADJUSTMENTS FOR:		
Depreciation	3,436,079	2,830,094
Capital grants from DfE and other capital income	(2,664,493)	(1,535,199)
Interest receivable	(2,547)	(4,597)
Defined benefit pension scheme cost less contributions payable	2,010,000	1,792,000
Defined benefit pension scheme finance cost	399,000	337,000
Decrease/(increase) in debtors	382,153	(586,687)
(Decrease)/increase in creditors	(493,652)	749,599
Net gain on assets and liabilities from local authority on conversion	(13,963,140)	(37,696,272)
NET CASH USED IN OPERATING ACTIVITIES	(876,702)	(664,152)

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24. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Cash inflows from new borrowing	(551,452)	355,342
Cash received on conversion of academy trusts	327,404	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(224,048)	355,342

25. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest receivable	2,547	4,597
Purchase of tangible fixed assets	(2,375,805)	(1,737,845)
Capital grants from DfE Group	2,664,493	1,535,199
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	291,235	(198,049)

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	2,838,564	3,648,079
Notice deposits (less than 3 months)	1,000,000	1,000,000
TOTAL CASH AND CASH EQUIVALENTS	3,838,564	4,648,079

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. CONVERSION TO AN ACADEMY TRUST

On 1 September 2018 St Marys & All Saints Church of England Voluntary Aided Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The White Horse Federation from Reading Borough Council for £NIL consideration.

The transfer has 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 heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS		
Freehold land and buildings	3,650,400	3,650,400
NET ASSETS	<u>3,650,400</u>	<u>3,650,400</u>

On 1 November 2018 St Luke's School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The White Horse Federation from Swindon Borough Council for £NIL consideration.

The transfer has 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 heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Freehold land and buildings	-	4,773,600	4,773,600
CURRENT ASSETS			
Cash - representing budget surplus on other school funds	1,689	-	1,689
NET ASSETS	<u>1,689</u>	<u>4,773,600</u>	<u>4,775,289</u>

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27. CONVERSION TO AN ACADEMY TRUST (CONTINUED)

On 1 March 2019 Grange Infants School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The White Horse Federation from Swindon Borough Council for £NIL consideration.

The transfer has 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 heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Freehold land and buildings	-	2,996,136	2,996,136
CURRENT ASSETS			
Cash - representing revenue surplus	16,597	-	16,597
Cash - representing capital surplus	11,538	-	11,538
NET ASSETS	<u>28,135</u>	<u>2,996,136</u>	<u>3,024,271</u>

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27. CONVERSION TO AN ACADEMY TRUST (CONTINUED)

On 1 March 2019 Grange Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The White Horse Federation from Swindon Borough Council for £NIL consideration.

The transfer has 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 heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS			
Freehold land and buildings	-	3,369,600	3,369,600
CURRENT ASSETS			
Cash - representing revenue surplus	258,624	-	258,624
Cash - representing capital surplus	38,956	-	38,956
NET ASSETS	<u>297,580</u>	<u>3,369,600</u>	<u>3,667,180</u>

28. CAPITAL COMMITMENTS

	2019 £	2018 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>469,021</u>	<u>532,191</u>

29. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 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.

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29. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £4,112,467 (2018 - £2,772,126).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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29. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £4,498,000 (2018 - £2,849,000), of which employer's contributions totalled £3,633,000 (2018 - £2,260,000) and employees' contributions totalled £ 862,000 (2018 - £589,000). The agreed contribution rates for future years are 22.8 per cent for employers and 5.5 - 12.5 per cent 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

	2019 %	2018 %
Rate of increase in salaries	2.73	2.80
Rare of increase for pensions in payments	2.28	2.37
Discount rate for scheme liabilities	1.8	2.79
Inflation assumption (CPI)	2.28	2.37

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.2	22.6
Females	24.0	24.9
<i>Retiring in 20 years</i>		
Males	23.8	24.3
Females	25.9	26.8

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	29,238,000	23,485,000
Corporate bonds	6,661,000	5,188,000
Property	5,103,000	4,176,000
Cash and other liquid assets	1,083,000	1,060,000
Other	317,000	272,000
Total	42,402,000	34,181,000

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29. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £1,193,000 (2018 - £2,957,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(5,288,000)	(4,041,000)
Past service cost	(355,000)	-
Interest income	1,016,000	576,000
Interest cost	(1,415,000)	(913,000)
Total	(6,042,000)	(4,378,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
AT 1 SEPTEMBER	47,504,000	30,513,000
Conversion of academy trusts	2,255,000	615,000
Transferred in on existing academies joining the trust	-	14,722,000
Current service cost	5,288,000	4,041,000
Interest cost	1,415,000	913,000
Employee contributions	862,000	587,000
Actuarial losses / (gains)	10,115,000	(3,504,000)
Benefits paid	(751,000)	(383,000)
Past service cost	355,000	-
AT 31 AUGUST	67,043,000	47,504,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
AT 1 SEPTEMBER	34,248,000	20,083,000
Conversion of academy trusts	1,101,000	384,000
Transferred in on existing academies joining the trust	-	9,757,000
Interest income	1,019,000	578,000
Actuarial gains	2,293,000	995,000
Employer contributions	3,633,000	2,249,000
Employee contributions	862,000	587,000
Benefits paid	(751,000)	(383,000)
Admin expenses	(3,000)	(2,000)
AT 31 AUGUST	42,402,000	34,248,000

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30. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy 2019 £	Academy 2018 £
Not later than 1 year	382,477	306,967
Later than 1 year and not later than 5 years	1,144,704	1,006,718
Later than 5 years	1,435,908	1,675,226
	<u>2,963,089</u>	<u>2,988,911</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.

31. 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.

32. 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 13.

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

33. AGENCY ARRANGEMENTS

TWHF distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Academy Trust received £49,967 and disbursed £43,816 from the fund. An amount of £6,151 is included in other creditors relating to undistributed funds that is repayable to ESFA.

34. CONTROLLING PARTY

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

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35. TEACHING SCHOOL TRADING ACCOUNT

	2019 £	2019 £	2018 £	2018 £
Income				
DIRECT INCOME				
ESFA and other government grants	548,903		911,206	
OTHER INCOME				
School to school support	14,881		252,187	
TOTAL INCOME		563,784		1,163,393
Expenditure				
DIRECT EXPENDITURE				
Wages and salaries	197,972		425,432	
Depreciation	22,196		55,929	
Educational supplies	258,214		525,523	
Technology costs	(2,964)		(705)	
Repairs and maintenance	-		285	
Supply teachers	-		975	
Staff development	3,443		8,270	
TOTAL DIRECT EXPENDITURE	478,861		1,015,709	
OTHER EXPENDITURE				
Wages and salaries	57,065		60,330	
Depreciation	7,665		10,534	
Professional services	100,942		119,151	
Other costs	(298)		1,289	
TOTAL OTHER EXPENDITURE	165,374		191,304	
TOTAL EXPENDITURE		644,235		1,207,013
Deficit from all sources		(80,451)		(43,620)
Teaching school balances at 1 September 2018		(43,620)		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2019		(124,071)		(43,620)

