

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**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 OF THE FEDERATION, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	N Capstick (resigned 23 May 2015) L Costello (resigned 15 June 2015) I Cooke S Marston L Soden (appointed 15 June 2015)
Trustees	N Capstick, Chief Executive Officer J Jarvis, Chair ² H Brown (resigned 9 February 2015) S Colledge (resigned 1 September 2014) M Collins (appointed 1 September 2014) L Costello S Cowley (resigned 1 September 2014) S Hagan, Chair of Finance Committee ¹ C Hopton ² B Owen (resigned 6 July 2015) L Saunders (resigned 7 April 2015) M Wolton (resigned 7 July 2015) L Palfrey (appointed 1 September 2015)

¹ Finance Committee

² Audit and Risk Committee

Company registered number	08075785
Principal and registered office	The White Horse Federation Plymouth Street Swindon Wiltshire SN1 2LB
Company secretary	L Haydon
Accounting Officer	N Capstick
Senior leadership team	N Capstick, Chief Executive Officer L Costello, Executive Managing Director S Cowley, Primary Director S Colledge, Secondary Director A Capstick, Head of Teaching & Learning J Costello, Commercial Director R Holmes, Finance Director L Saunders, HR Director
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Bankers	Lloyds Bank plc 5 High St Swindon SN1 3EN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors	Clark Holt Ltd Hardwick Holt Prospect place Swindon Wiltshire SN1 3LJ
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**THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Federation operates 9 primary, 2 secondary and 2 special Academies in Swindon, Wiltshire and Gloucestershire. The Federation's Academies have a combined pupil capacity of 5,000 and had a roll of 4,718 in the school census in May 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Members of The White Horse Federation are not trustees of the Charitable Company for the purposes of company law. The Charitable Company is known as The White Horse Federation. N Capstick (Chief Executive Officer) and L Costello (Executive Managing Director) are trustees.

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

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

From 15 June 2015 new Articles of Associations were adopted and provide for the following:

- up to 12 Trustees, appointed under Article 50;
- a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no LBG's are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each LBG pursuant to Article 101A;
- Chief Executive Officer provisions under Article 57;
- Executive Managing Director provisions under Article 57A;
- 1 trustee appointed under Article 51.

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

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

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Policies and Procedures adopted for the Induction and Training of Trustees

The Federation has a Trustees Induction and Training procedure available from the Clerk to the 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. Trustees are able to access these documents via the Trustees website. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. New Trustees meet with the Managing Trustees and the Chair of Trustees to discuss the strategic direction of the organisation and to go through roles and responsibilities as detailed in the WHF handbook. The professional behaviours of Trustees are also discussed and Our Little Green Book is shared.

Organisational Structure

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

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Federation and determines membership, terms of reference and procedures of Portfolios of Responsibility and other groups. It may receive written and verbal reports including policies from its Responsible Trustees for ratification. It monitors the activities of these Trustees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

During the year the Portfolios of Responsibility changed and now focus on the following key areas:

- Finance
- Audit and Risk, including H&S, CP and Safeguarding, Premises & Insurance
- Human Resources/Staffing/Pay Panel
- Teaching, Learning and Standards

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

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

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

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

The Senior Leadership Team (SLT) has evolved through the year and now consists of the CEO, EMD, Primary Director, Secondary Director, HR Director, Finance Director, Commercial Director and Head of Teaching and Learning. The SLT controls the Federation at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The CEO, EMD, Finance Director and Chair of Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The CEO and EMD are responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

At the 31 August 2015 the Federation comprised of the following schools:

Primary Schools	-	Croft, Drove, Haydon Wick, Mountford Manor, Moredon, Rodbourne Cheney, Tregoze, Zouch
Secondary Schools	-	Ridgeway Secondary and Sixth Form College, Gloucester Academy
Special Schools	-	Peak and Greenfield, Nyland

Schools taken on early during the 2014/15 year were Haydon Wick, Ridgeway Secondary and Sixth Form College. Gloucester Academy as well as Peak and Greenfield joined in March and April 2015 respectively.

The Swindon School Centred Initial Teacher Training (SCITT) is also part of the Federation.

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

Connected Organisations, including Related Party Relationships

The Federation won the contract to open an Eco school in Bicester. The school is due to open in 2016.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Federation is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its pupils ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

The aims of the Federation are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- to develop pupils as more effective learners;
- to enhance the tertiary provision and outcomes;
- to develop the Federation sites so that they enable pupils to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Federation by keeping the curriculum and organisational structure under continual review;
- to maximise the number of pupils who achieve;
- to provide value for money for the funds expended;
- to fulfil the roles of 2 Teaching Schools;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to develop the Federation's capacity to manage change; and
- to conduct the Federation's business in accordance with the highest standards of integrity, probity and openness.

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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

Public Benefit

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

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

STRATEGIC REPORT

Achievements and Performance

The Federation has made a large number of achievements in the year under review. Key achievements include:

- On boarding and integration of 2 secondary schools – Ridgeway and Gloucester.
- On boarding and integration of 2 secondary special schools – Peak and Greenfield.
- Taking Peak and Greenfield from an Ofsted Grade 4 to an Ofsted Grade 2 in six months.
- On boarding and integration of an Outstanding Primary School school – Haydon Wick.
- Mountford Manor Primary School was graded good at OFSTED inspection.
- The Croft Primary School was graded outstanding at OFSTED inspection, after just 18 months of opening.
- Senior leadership capacity has been significantly developed at both Tregoze and Zouch Primary School as well as at Gloucester Academy.
- An accountability framework has been developed for Trustees.
- Staff have been trained on the new national curriculum and Special Educational Needs and Disability (SEND) procedures.
- A significant amount of work has been committed to successfully growing the Federation to include other phases of education and into new geographical locations.
- We have developed, issued and evaluated an annual employee engagement survey; and, have developed a set of professional behaviours across the Federation.

The Trustees are very proud to celebrate the on going success of the Federation which is now officially recognised as a high potential sponsor and one of the highest performing trusts in the country, with 9/10 (90%) schools graded as good or better and 5/10 (50%) graded as Outstanding (national figures are 74% and 24% respectively).

We have trained over 120 student teachers in the last 12 months. Dr Capstick has been appointed to The Regional Schools Commission for the South West and has supported 12 Local Authorities and more than 50 schools in developing their Academy provision. He continues to lead conferences and act as key note speaker for both national and regional conferences.

L Costello has been appointed as the Vice Chair of the Primary Heads Reference Group at the DfE, been appointed to The Arts Council Rapid Review of Arts Mark and as part of the working group at the DfE looking at adolescent mental health. She was awarded an OBE on 12 June 2015.

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

During the year, the Federation secured capital grants for the following:

Nylands Outreach Team Move:

- NCOT move from Nylands Campus to Mountford Manor Primary School has been completed, and the Nylands Bungalow has now been converted into additional teaching space with outdoor play area. The main contractor was Key Resources. Value £154k. Funded by SBC.

Drove Primary School & Mountford Manor Primary School Roof:

- Drove roof replacement. Flat roof work at Drove will follow in 2016.
- The Children's Centre, Nursery and Mountford Manor roofs will be completed in 2016. The main contractor is Central Roofing. Value £1,084k. Funded by CIF.

Rodbourne Cheyney Primary School Safeguarding:

- Rodbourne safeguarding project is on track. The main extension shell is almost complete and the internal demolition phase has started. Additional fencing and access control will also start in October. Project completion is due end October. The main contractor is Property Care. Value £184k. Funded by CIF.

Tregoze Primary School Windows:

- Tregoze window replacement has been re-tendered to come within budget. Materials are on order and work will commence during October half term. The main contractor is Windows by Design. Value £117k. Funded by CIF.

Total capital grants received:

Swindon Borough Council	£ 154,000
CIF	£ 1,385,000

The KS2 data for our Primary schools is detailed below:

	Reading L4+	Writing L4+	Maths L4+	Reading % age 2 levels progress Ks1-2	Writing % age 2 levels progress Ks1-2	Maths % age 2 levels progress Ks1-2
Rodbourne Cheney Primary School	100%	93%	97%	93%	96%	93%
Moredon Primary & Nursery School	98%	98%	96%	98%	100%	95%
Drove Primary School - unvalidated data	68%	81%	75%	84%	98%	89%
Mountford Manor Primary School	85%	93%	81%	96%	100%	88%
Tregoze Primary School	97%	100%	97%	100%	100%	97%
Zouch Primary School	89%	74%	89%	94%	100%	94%
Nyland Campus	55%	30%	30%	74%	55%	47%
Haydon Wick Primary School	100%	97%	94%	100%	100%	100%

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

KS4	GCSE % A- C (EM)	Attainment 8	Progress 8	Ebacc
The Ridgeway School	64%	53.11	0.22	1%
Gloucester Academy	24%	33.67	-0.94	

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

KS5	APS per entry	APS per pupil	Average grade
The Ridgeway School	224.18	571.29	C+
Gloucester Academy	126.7	340.1	U

KS5 BTEC

The Ridgeway School	249.2	107.5	Dist+
Gloucester Academy	198.6	496.8	Merit

The Peak Academy	5 A*-G	25%
	1 A*-G	69%

81% achieved a qualification in Maths
63% achieved a qualification in English

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £700,308 was carried forward representing 4.3% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015 were 4,718, an increase of 2,538 over 2014. It is anticipated that this number will continue to rise, both through individual school growth and more schools joining the Federation.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. 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 2015**

FINANCIAL REVIEW

Financial Review

Most of the Federation's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Federation also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Federation's accounting policies.

The table below identifies a summary of the underlying operational performance for the Federation, utilising the data contained in this report and ignoring the impact of pension adjustments and transfers in during the period. As shown, the period showed a strong position as WHF positions for further growth.

Operational View

£000's	Total WHF	Restricted	Unrestricted
Income in Period	25,618	24,160	1,458
Expenditure:-			
Staff Costs	17,444	16,671	773
Other	7,139	6,642	497
TOTAL	24,583	23,313	1,270
Surplus in period reported	1,035	847	188

Capex income grants and timing of spend accounts some of the improvement reported in the period as this is listed within the restricted fund. Underlying performance was strong as the year also saw investment in capital projects funded from GAG revenue income, circa £670k meaning the underlying surplus was in region of £1.6m.

At 31 August 2015 the net book value of fixed assets was £53,050,482 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Federation.

Land, buildings and other assets were transferred to the Federation upon conversion of new Academies during the year. Land and buildings within these transfers on conversion were valued at £36,769,338. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Federation has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 29 to the financial statements.

Reserves Policy

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

The Trustees have determined that the appropriate level of free cash reserves should be approximately £2million representing one month's charitable activities resources expended (excluding depreciation and gains or losses on disposals). 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.

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The Federation's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,973,353.

The Trustees will continue to keep the appropriate level of reserves under review as the Federation evolves in size and complexity.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Federation is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Federation's budgeted annual income.

Investment Policy

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Members and Trustees have implemented a system to assess risks that the Federation faces, especially in the operational areas and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Federation grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Federation has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

Financial - the Federation has considerable reliance on continued Government funding through the EFA. In the last year 90% of the Federation's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Federation's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Federation is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Federation is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Federation has appointed a Responsible Officer/internal auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

**THE WHITE HORSE FEDERATION
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Federation is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

- The Federation will continue to strive to provide outstanding education.
- Improve the levels of performance of its pupils at all levels.
- Work to introduce a strategy to attract and retain high quality teachers and support staff in order to deliver its objectives.
- Continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

Due to our success in working with other schools, The White Horse Federation has been approached by various agencies to consider sponsorship of both new and existing schools. We are keen to develop selected partnerships and grow our organisation at a steady and sustainable pace.

We anticipate that further schools will join the Federation during the next financial year and in addition the Federation is in process of developing a new Eco School in Bicester which is scheduled to open late 2016.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

For Disabled Employees

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

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

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

For Employee Consultation:

The HR Manager pre plans all potential development changes for the Federation and works in partnership with all stakeholders which includes employees, unions, governors and senior members of staff to communicate and support the Federation with all workforce changes. A template is used for each possible development change which includes the following:

- Rationale for change
- Current Structure (if applicable)
- Proposed Structure
- Costings for Proposed Structure
- Draft Implementation Plan

AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on15/12/15..... and signed on the board's behalf by:



**J Jarvis
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 it in the funding agreement between The White Horse Federation and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
N Capstick, Chief Executive Officer	6	6
J Jarvis, Chair	6	6
H Brown	2	3
M Collins	6	6
L Costello	6	6
S Hagan, Chair of Finance Committee	5	6
C Hopton	6	6
B Owen	4	6
L Saunders	2	3
M Wolton	6	6

Governance reviews:

During the year, the WHF re-introduced Local Boards of Governors. The Chairs of each Local Board of Governors meet termly, and elect a Chair to sit on the Board of Trustees.

A Governance handbook has been developed and implemented.

A skills and competency audit evaluated the Board's expertise, identified gaps and proactively sought to appoint to the key areas. Each Trustee took up a Portfolio of Responsibility based on expertise.

Shaun Hagan was appointed to the Portfolio of Responsibility for Finance. This portfolio carries the following purpose:

The Finance Committee is a sub-committee of the main Trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 3 times during the year, with S Hogan attending all sessions. The committee also includes the Head of Finance for White Horse Federation.

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GOVERNANCE STATEMENT (continued)

Christopher Hopton was appointed as Chairman of the Audit and Risk Committee during the year, Joss Jarvis also joined as a member.

The Audit and Risk Committee is a sub-committee of the main Trustees. The purpose of the Audit and Risk Committee is to oversee the financial reporting process, including audit, at year end and throughout the year. In addition the Committee oversees the internal control framework.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
C Hopton	4	4
J Jarvis	4	4

The CEO and Financial Director also join the Committee.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Federation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The White Horse Federation for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Federation's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Federation's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and initially decided to appoint Financial Services 4 Schools Limited as internal auditor during the year but subsequently selected Baker Tilly (now RSM) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. On a semi-annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. During the year there were no matters of significance to report.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Federation who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the Board of Trustees on 15 December 2015 and signed on its behalf, by:



**J Jarvis
Chair of Trustees**



**N Capstick
Accounting Officer**

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



**N Capstick
Accounting Officer**

Date: 15/12/15

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

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

The Trustees (who act as governors of The White Horse Federation and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



J Jarvis
Chair of Trustees

Date: 15/12/15

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WHITE HORSE FEDERATION

We have audited the financial statements of The White Horse Federation for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Federation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 members for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable Federation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

UNQUALIFIED OPINION

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

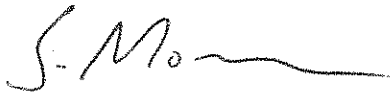
THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WHITE HORSE FEDERATION

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 18 December 2015

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

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

In accordance with the terms of our engagement letter dated 27 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The White Horse Federation during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The White Horse Federation and EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The White Horse Federation and EFA, 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

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

Date: 18 December 2015.

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

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Acquisitions and transfer on conversion	3	(65,105)	(4,544,167)	39,162,338	34,553,066	2,040,183
Other voluntary income	3	185,196	383,402	-	568,598	209,172
Activities for generating funds	4	73,011	-	-	73,011	44,489
Investment income	5	13,831	-	-	13,831	11,786
Incoming resources from charitable activities		1,186,468	23,776,206	210,000	25,172,674	11,392,035
TOTAL INCOMING RESOURCES		1,393,401	19,615,441	39,372,338	60,381,180	13,697,665
RESOURCES EXPENDED						
Charitable activities	7	1,270,327	22,039,033	1,601,117	24,910,477	11,577,156
Governance costs	11	-	59,600	-	59,600	53,401
TOTAL RESOURCES EXPENDED	7	1,270,327	22,098,633	1,601,117	24,970,077	11,630,557
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		123,074	(2,483,192)	37,771,221	35,411,103	2,067,108
Transfers between Funds	21	-	(1,214,734)	1,214,734	-	-
NET INCOME FOR THE YEAR		123,074	(3,697,926)	38,985,955	35,411,103	2,067,108
Actuarial gains and losses on defined benefit pension schemes		-	(599,000)	-	(599,000)	(716,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		123,074	(4,296,926)	38,985,955	34,812,103	1,351,108
Total funds at 1 September		1,850,279	(506,451)	14,064,527	15,408,355	14,057,247
TOTAL FUNDS AT 31 AUGUST		1,973,353	(4,803,377)	53,050,482	50,220,458	15,408,355

The Children's Centre activity was discontinued during the previous year; all other activities are continuing. See note 2 for further details.

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


The notes on pages 25 to 52 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		53,050,482		14,064,527
CURRENT ASSETS					
Debtors	18	1,352,234		1,036,848	
Cash at bank and in hand		6,549,974		3,569,710	
			<u>7,902,208</u>	<u>4,606,558</u>	
CREDITORS: amounts falling due within one year	19	(2,602,433)		(1,441,730)	
NET CURRENT ASSETS			<u>5,299,775</u>		<u>3,164,828</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>58,350,257</u>		<u>17,229,355</u>
CREDITORS: amounts falling due after more than one year	20		<u>(1,171,799)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>57,178,458</u>		<u>17,229,355</u>
Defined benefit pension scheme liability	29		<u>(6,958,000)</u>		<u>(1,821,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>50,220,458</u>		<u>15,408,355</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	21	2,154,623		1,314,549	
Fixed asset funds	21	53,050,482		14,064,527	
			<u>55,205,105</u>	<u>15,379,076</u>	
Restricted funds excluding pension liability					
Pension reserve		(6,958,000)		(1,821,000)	
			<u>48,247,105</u>	<u>13,558,076</u>	
Total restricted funds					
Unrestricted funds	21		<u>1,973,353</u>		<u>1,850,279</u>
TOTAL FUNDS			<u>50,220,458</u>		<u>15,408,355</u>

The financial statements were approved by the Trustees, and authorised for issue, on 15/12/15 and are signed on their behalf, by:


J Jarvis
Chair of Trustees

The notes on pages 25 to 52 form part of these financial statements.

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

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

	Note	2015 £	2014 £
Net cash flow from operating activities	23	3,338,591	889,210
Returns on investments and servicing of finance	24	13,831	11,786
Capital expenditure and financial investment	24	(763,242)	(153,185)
Cash transferred on conversion to an academy trust	27	391,084	330,460
INCREASE IN CASH IN THE YEAR		2,980,264	1,078,271

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

	2015 £	2014 £
Increase in cash in the year	2,980,264	1,078,271
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	2,980,264	1,078,271
New EFA loans	(1,160,065)	-
New Condition Improvement Fund loans	(11,734)	-
MOVEMENT IN NET FUNDS IN THE YEAR	1,808,465	1,078,271
Net funds at 1 September 2014	3,569,710	2,491,439
NET FUNDS AT 31 AUGUST 2015	5,378,175	3,569,710

The notes on pages 25 to 52 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 2015**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Federation to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

1.3 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

1.4 INCOMING RESOURCES

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

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

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.7 TAXATION

The Federation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Federation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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

1. ACCOUNTING POLICIES (continued)

1.8 PENSIONS

Retirement benefits to employees of the Federation are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Federation.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Federation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the Federation is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.9 CONVERSION TO AN ACADEMY TRUST

The conversion from state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Haydon Wick Primary school to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The White Horse Federation. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised 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 EFA for other local schools as at 31 March 2015, which were performed using the Depreciated Replacement Cost method.

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

During the year, Gloucester Academy, Peak Academy, Greenfield Academy and The Ridgeway Secondary and Sixth Form College have transferred from other Multi-Academy Trusts to join the White Horse Federation. These transfers have been treated on the same basis as a conversion from a local authority as outlined above.

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

1.10 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.

2. DISCONTINUED OPERATIONS

From 1 April 2014 the provision of all Children's Centres in the Swindon area was placed under the control of a single alternative provider. The Children's Centre activity has therefore been treated as a discontinued operation from this date. A summary of income and expenditure for the last two periods is given below:

	2015	2014
	£	£
Incoming resources	-	160,150
Resources expended	-	(232,429)
Loss on disposal of buildings	-	(346,950)
	<u>-</u>	<u>(419,229)</u>

THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

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

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Acquired from other Academy Trusts	(194,518)	32,246,171	32,051,653	-
Transfer on conversion	129,413	2,372,000	2,501,413	2,040,183
Subtotal	<u>(65,105)</u>	<u>34,618,171</u>	<u>34,553,066</u>	<u>2,040,183</u>
Donations	185,196	383,402	568,598	209,172
	<u>120,091</u>	<u>35,001,573</u>	<u>35,121,664</u>	<u>2,249,355</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	72,927	-	72,927	41,984
External Catering	84	-	84	2,505
	<u>73,011</u>	<u>-</u>	<u>73,011</u>	<u>44,489</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	<u>13,831</u>	<u>-</u>	<u>13,831</u>	<u>11,786</u>

THE WHITE HORSE FEDERATION
(A COMPANY LIMITED BY GUARANTEE)

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

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Education	462,730	23,384,680	23,847,410	10,597,780
Children's centre	-	-	-	160,150
Nursery	489,752	-	489,752	418,691
Support for other schools	233,986	601,526	835,512	215,414
	<u>1,186,468</u>	<u>23,986,206</u>	<u>25,172,674</u>	<u>11,392,035</u>

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	1,514,774	1,514,774	809,657
General Annual Grant	-	17,725,066	17,725,066	7,508,687
Start up Grants	-	-	-	50,000
Other DfE/EFA grants	-	2,302,604	2,302,604	833,055
	<u>-</u>	<u>21,542,444</u>	<u>21,542,444</u>	<u>9,201,399</u>
Other government grants				
High needs	-	864,700	864,700	629,976
Other government revenue grants	3,475	960,565	964,040	557,185
Other government capital grants	-	-	-	70,394
	<u>3,475</u>	<u>1,825,265</u>	<u>1,828,740</u>	<u>1,257,555</u>
Other funding				
Internal catering income	354,978	-	354,978	107,885
Sales to students	54,955	-	54,955	3,189
Other	49,322	16,971	66,293	27,752
	<u>459,255</u>	<u>16,971</u>	<u>476,226</u>	<u>138,826</u>
	<u>462,730</u>	<u>23,384,680</u>	<u>23,847,410</u>	<u>10,597,780</u>

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7. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other	2015	2014
	£	2015	2015	£	£
		£	£		
Direct costs - Education	13,967,841	1,022,576	2,039,893	17,030,310	7,011,072
Direct costs - Children's Centre	-	-	-	-	497,166
Direct costs - Nursery	466,503	-	52,675	519,178	441,263
Direct costs - Support for other schools	270,590	-	323,611	594,201	242,966
Support costs - Education	2,718,840	896,068	2,873,087	6,487,995	3,245,424
Support costs - Children's Centre	-	-	-	-	82,263
Support costs - Nursery	-	1,160	2,333	3,493	5,688
Support costs - Support for other schools	13,935	2,583	258,782	275,300	51,314
CHARITABLE ACTIVITIES	17,437,709	1,922,387	5,550,381	24,910,477	11,577,156
GOVERNANCE	6,801	-	52,799	59,600	53,401
	17,444,510	1,922,387	5,603,180	24,970,077	11,630,557

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Education	17,030,310	6,487,995	23,518,305	10,256,496
Children's centre	-	-	-	579,429
Nursery	519,178	3,493	522,671	446,951
Support for other schools	594,201	275,300	869,501	294,280
	18,143,689	6,766,788	24,910,477	11,577,156

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9. DIRECT COSTS

	Education £	Nursery £	Support for other schools £	Total 2015 £	Total 2014 £
Pension finance costs	47,000	-	-	47,000	8,700
Educational supplies	754,999	19,479	148,998	923,476	391,954
Examination fees	168,076	-	-	168,076	-
Staff development	135,040	150	117,256	252,446	104,343
Other costs	556,389	347	19,933	576,669	236,052
Supply teachers	287,255	-	-	287,255	186,964
Technology costs	51,264	-	-	51,264	17,377
Disposal of fixed assets	-	-	-	-	346,950
PFI Charges	239,120	-	-	239,120	133,375
Wages and salaries	11,084,170	418,104	260,764	11,763,038	5,237,448
National insurance	778,755	11,844	3,730	794,329	345,272
Pension cost	1,817,661	36,555	6,096	1,860,312	751,570
Depreciation	1,110,581	32,699	37,424	1,180,704	432,462
	<u>17,030,310</u>	<u>519,178</u>	<u>594,201</u>	<u>18,143,689</u>	<u>8,192,467</u>

10. SUPPORT COSTS

	Education £	Nursery £	Support for other schools £	Total 2015 £	Total 2014 £
Pension finance costs	38,000	-	-	38,000	6,300
Staff development	2,744	-	30	2,774	-
Other costs	15,536	-	2,689	18,225	44,982
Recruitment and support	177,111	124	20,655	197,890	142,906
Maintenance of premises and equipment	224,840	-	-	224,840	730,049
Cleaning	162,269	-	-	162,269	49,192
Rent and rates	162,920	-	-	162,920	42,887
Energy costs	321,481	1,160	2,583	325,224	139,447
Insurance	173,985	-	881	174,866	81,910
Security and transport	118,121	-	314	118,435	-
Catering	774,813	1,010	7,851	783,674	158,389
Technology costs	207,597	-	330	207,927	110,413
Office overheads	198,915	49	644	199,608	63,645
Legal and professional	734,354	930	208,049	943,333	434,108
Bank interest and charges	53,615	-	-	53,615	642
Wages and salaries	2,108,709	-	11,065	2,119,774	1,039,350
National insurance	105,837	-	374	106,211	45,533
Pension cost	504,294	-	2,496	506,790	209,123
Depreciation	402,854	220	17,339	420,413	85,813
	<u>6,487,995</u>	<u>3,493</u>	<u>275,300</u>	<u>6,766,788</u>	<u>3,384,689</u>

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11. GOVERNANCE COSTS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	29,500	29,500	19,000
Auditors' non audit costs	11,050	11,050	4,208
Legal and Professional	10,578	10,578	158
Other costs	1,671	1,671	550
Wages and salaries	5,297	5,297	27,810
National insurance	323	323	1,639
Pension costs	1,181	1,181	36
	<u>59,600</u>	<u>59,600</u>	<u>53,401</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	1,601,117	518,276
Auditors' remuneration	29,500	19,000
Auditors' remuneration - non-audit	11,050	4,208
Operating lease rentals: - plant and machinery	55,686	11,880
PFI Charges	239,318	133,374
	<u>1,936,777</u>	<u>687,738</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	13,814,109	6,253,964
Social security costs	900,863	392,443
Other pension costs (Note 29)	2,368,283	960,729
	<u>17,083,255</u>	<u>7,607,136</u>
Supply teacher costs	287,255	186,964
Staff restructuring costs	74,000	50,645
	<u>17,444,510</u>	<u>7,844,745</u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling

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13. STAFF (continued)

£74,000 (2014: £20,000). Individually, the payments were £6,500, £8,500, £10,000 and £49,000.

c. Staff numbers

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

	2015 No.	2014 No.
Teachers	271	77
Educational support	222	104
Administration and other support	78	58
Management	44	19
	<u>615</u>	<u>258</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	2	0
In the band £110,001 - £120,000	1	0
In the band £120,001 - £130,000	1	2
In the band £130,001 - £140,000	1	0
	<u>1</u>	<u>0</u>

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £170,753 (2014: £57,573).

14. CENTRAL SERVICES

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

- school improvement
- education support services
- human resources
- financial services
- estates management
- other services as arising

The Federation recharges these costs to each Academy on a ratio basis, as part of the budget setting process.

The Federation have developed and continue to develop this method to ensure transparency and greater visibility. It is intended to develop this further over the next accounting period.

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15. TRUSTEES' REMUNERATION AND EXPENSES

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

The value of staff Trustee's remuneration and pension contributions in the year fell into £5,000 bandings as follows: N Capstick: Remuneration £135,000 - £140,000 (2014: £125,000 - £130,000), Employer's pension contributions £15,000 - £20,000 (2014: £15,000 - £20,000), H Brown (6 months): Remuneration £30,000 - £35,000 (2014: £50,000 - £55,000), Employer's pension contributions £2,000 - £2,500 (2014: £10,000 - £15,000), L Connor: Remuneration £125,000 - £130,000 (2014 11 months: £115,000 - £120,000), Employer's pension contributions £15,000 - £20,000 (2014 11 months: £15,000 - £20,000) and J Tridgell: Remuneration £NIL (2014 4 months: £15,000 - £20,000), Employer's pension contributions: £NIL (2014 4 months: £2,000 - £2,500).

During the year retirement benefits were accruing to 3 Trustees (2014: 4) in respect of defined benefit pension schemes.

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

During the year ended 31 August 2015, expenses totalling £9030 (2014: £6358) were reimbursed to 3 Trustees (2014: 1).

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Federation has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Federation business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,074 (2014: £1,031). The cost of this insurance is included in the total insurance cost.

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17. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long term leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2014	1,898,060	12,143,970	67,110	438,216	365,666	14,913,022
Additions	-	545,601	-	505,959	163,174	1,214,734
Acquisitions	-	37,180,855	16,886	1,299,519	875,078	39,372,338
At 31 August 2015	1,898,060	49,870,426	83,996	2,243,694	1,403,918	55,500,094
DEPRECIATION						
At 1 September 2014	35,618	449,226	16,983	139,646	207,022	848,495
Charge for the year	35,618	788,029	16,734	383,241	377,495	1,601,117
At 31 August 2015	71,236	1,237,255	33,717	522,887	584,517	2,449,612
NET BOOK VALUE						
At 31 August 2015	1,826,824	48,633,171	50,279	1,720,807	819,401	53,050,482
At 31 August 2014	1,862,442	11,694,744	50,127	298,570	158,644	14,064,527

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 EFA for other local schools as at 31 March 2015, which were performed using the Depreciated Replacement Cost method.

Included in freehold land and buildings is £117,180 of land, which is not depreciated.

18. DEBTORS

	2015 £	2014 £
Trade debtors	71,731	9,071
VAT repayable	252,475	163,677
Other debtors	6,826	975
Prepayments and accrued income	1,021,202	863,125
	<u>1,352,234</u>	<u>1,036,848</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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**19. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	538,836	471,946
Other taxation and social security	238,581	130,977
Other creditors	534,434	134,489
Accruals and deferred income	1,290,582	704,318
	<u>2,602,433</u>	<u>1,441,730</u>

DEFERRED INCOME

Deferred income at 1 September 2014	303,172
Resources deferred during the year	679,322
Amounts released from previous years	<u>(303,172)</u>
Deferred income at 31 August 2015	<u>679,322</u>

At the balance sheet date the Federation was holding EFA and Local Authority grants received in advance for the 2015/16 academic year.

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

	2015 £	2014 £
Other loans	<u>1,171,799</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2015 £	2014 £
BETWEEN ONE AND TWO YEARS		
Other loans	<u>1,173</u>	<u>-</u>
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>1,163,585</u>	<u>-</u>
OVER FIVE YEARS		
Other loans	<u>7,041</u>	<u>-</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

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

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

	2015 £	2014 £
Repayable by instalments	7,041	-

The loans included above are due to the EFA. £1,160,065 was received to provide funding for pupil number adjustments repayable and £11,734 was received for Condition Improvement Fund projects. A repayment schedule for these loans has been agreed with the Department for Education.

21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
Early Years Single Formula Funding	-	489,752	(489,752)	-	-	-
General funds	1,850,279	903,649	(780,575)	-	-	1,973,353
	<u>1,850,279</u>	<u>1,393,401</u>	<u>(1,270,327)</u>	<u>-</u>	<u>-</u>	<u>1,973,353</u>

THE WHITE HORSE FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant	807,896	16,272,789	(15,712,834)	(667,543)	-	700,308
High needs	-	927,801	(927,801)	-	-	-
Pupil premium	-	1,389,785	(1,313,337)	-	-	76,448
16-19 Allocation	-	1,092,482	(1,092,482)	-	-	-
UIFSM	7,500	401,256	(408,756)	-	-	-
Start up grant School improvement grant	16,855	-	(16,855)	-	-	-
Croft Academy set up funding	-	395,748	(140,000)	-	-	255,748
Primary Behaviour Support Service	126,180	-	(24,847)	-	-	101,333
Child and Adolescent Mental Health Services	-	201,919	(201,919)	-	-	-
Pupil referral unit	-	94,694	(94,694)	-	-	-
Autism Spectrum Support	-	80,000	(80,000)	-	-	-
PE sports grant	-	228,622	(228,622)	-	-	-
Teaching School funding	23,187	81,400	(72,984)	-	-	31,603
Academies Capital Maintenance Fund	139,429	601,526	(616,993)	-	-	123,962
Condition Improvement Fund	136,186	96,526	(19,675)	(213,037)	-	-
Devolved Formula Capital	-	1,102,702	(30,808)	(238,455)	-	833,439
Trigger funding	-	105,546	(105,546)	-	-	-
Trips donations	-	100,276	(100,276)	-	-	-
Other restricted funds	-	382,702	(382,702)	-	-	-
Pension reserve	57,316	330,667	(260,502)	(95,699)	-	31,782
	(1,821,000)	(4,271,000)	(267,000)	-	(599,000)	(6,958,000)
	<u>(506,451)</u>	<u>19,615,441</u>	<u>(22,098,633)</u>	<u>(1,214,734)</u>	<u>(599,000)</u>	<u>(4,803,377)</u>

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

21. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	13,592,115	39,162,338	(1,275,329)	-	-	51,479,124
Fixed assets purchased from GAG and other restricted funds	472,412	210,000	(325,788)	1,214,734	-	1,571,358
	<u>14,064,527</u>	<u>39,372,338</u>	<u>(1,601,117)</u>	<u>1,214,734</u>	<u>-</u>	<u>53,050,482</u>
Total restricted funds	<u>13,558,076</u>	<u>58,987,779</u>	<u>(23,699,750)</u>	<u>-</u>	<u>(599,000)</u>	<u>48,247,105</u>
Total of funds	<u><u>15,408,355</u></u>	<u><u>60,381,180</u></u>	<u><u>(24,970,077)</u></u>	<u><u>-</u></u>	<u><u>(599,000)</u></u>	<u><u>50,220,458</u></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 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 EFA to cater for disadvantaged pupils.

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

UIFSM (Universal Infant Free School Meals) is received from the EFA 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 EFA for Education 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 EFA to be spent on providing support to a sponsored school.

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

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

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

Pupil referral unit funding received from Swindon Borough Council is to support 8 pupils for up to 12

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21. STATEMENT OF FUNDS (continued)

weeks in order to be successful in mainstream.

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

PE sports grant represents funding received from the EFA 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.

Academies' Capital Maintenance Fund represents funding received from the DfE for the Academies Capital Maintenance Fund.

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

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

Trigger funding is received from Swindon Borough Council due to the increase in pupil numbers during the period, since the calculation and allocation of School Budget Share from the EFA.

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 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 school from Swindon Borough Council 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 EFA or other bodies.

TRANSFERS BETWEEN FUNDS

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

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Federation was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Gloucester Academy	(478,404)
Peak Academy	(26,161)
The Ridgeway School & Sixth Form College	251,000
The Croft Primary Academy	278,314
Drove Primary School	635,134
Haydon Wick Primary School	187,881
Moredon Primary School	349,610
Mountford Manor Primary School	380,359
Nyland Special School	6,672
Rodbourne Cheney Primary School	462,795
Tregoze Primary School	235,710
Zouch Primary School	59,430
Central Services	1,785,636
Total before fixed asset fund and pension reserve	<u>4,127,976</u>
Restricted fixed asset fund	53,050,482
Pension reserve	(6,958,000)
Total	<u><u>50,220,458</u></u>

For Peak Academy and Gloucester Academy there are ongoing reviews to restructure in terms of organisation and focus on school improvement and performance. The School Improvement Fund that is carried forward into 2015/2016 specifically relates to these schools.

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

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each Academy, excluding depreciation, during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Gloucester Academy	1,885,812	385,110	79,164	640,714	2,990,800
Peak Academy	167,960	41,498	2,990	76,182	288,630
Greenfield Academy	214,637	53,017	3,819	74,281	345,754
The Ridgeway School & Sixth Form College	4,159,870	533,755	380,233	1,527,844	6,601,702
The Croft Primary Academy	367,887	64,111	38,693	95,508	566,199
Drove Primary School	1,573,976	189,998	95,579	234,556	2,094,109
Haydon Wick Primary School	717,436	117,576	26,729	129,152	990,893
Moredon Primary School	1,097,140	107,072	70,571	496,796	1,771,579
Mountford Manor Primary School	771,932	115,235	56,117	115,881	1,059,165
Nyland Special School	770,594	56,134	31,071	193,886	1,051,685
Rodbourne Cheney Primary School	579,688	86,229	46,803	138,347	851,067
Tregoze Primary School	512,169	66,768	22,289	108,807	710,033
Zouch Primary School	785,182	120,067	47,115	(40,218)	912,146
Central Services	813,396	1,050,305	22,303	1,249,194	3,135,198
	<u>14,417,679</u>	<u>2,986,875</u>	<u>923,476</u>	<u>5,040,930</u>	<u>23,368,960</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	53,050,482	53,050,482	14,064,527
Current assets	1,973,353	5,718,855	210,000	7,902,208	4,606,559
Creditors due within one year	-	(2,392,433)	(210,000)	(2,602,433)	(1,441,731)
Creditors due in more than one year	-	(1,171,799)	-	(1,171,799)	-
Pension scheme liability	-	(6,958,000)	-	(6,958,000)	(1,821,000)
	<u>1,973,353</u>	<u>(4,803,377)</u>	<u>53,050,482</u>	<u>50,220,458</u>	<u>15,408,355</u>

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23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	35,411,103	2,067,108
Returns on investments and servicing of finance	(13,831)	(11,786)
Net assets transferred on conversion	(34,553,066)	(2,040,183)
Depreciation of tangible fixed assets	1,601,117	518,276
Deficit on disposal of tangible fixed assets	-	346,950
Capital grants from DfE	(451,492)	(172,898)
Increase in debtors	(315,386)	(781,658)
Increase in creditors	1,393,146	936,401
Defined benefit pension scheme adjustments	267,000	27,000
NET CASH INFLOW FROM OPERATIONS	3,338,591	889,210

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

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	13,831	11,786
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(1,214,734)	(326,083)
Capital grants from DfE	451,492	172,898
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(763,242)	(153,185)

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	3,569,710	2,980,264	-	6,549,974
DEBT:				
Debts falling due after more than one year	-	(1,171,799)	-	(1,171,799)
NET FUNDS	3,569,710	1,808,465	-	5,378,175

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26. 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.

27. CONVERSION TO AN ACADEMY TRUST

During the year, there have been 4 schools transferred from other Multi-academy trusts or local authorities to join The White Horse Federation. On 1 October 2014, The Ridgeway School & Sixth Form College transferred from its existing Multi-academy Trust, On 1 March 2015 Gloucester Academy joined the Federation and on 1 April 2015, The Peak Academy and Greeefield Academy joined. The donation of assets and funds has been treated the same as if these were transfers from local authorities as outlined below.

On 1 September 2014 Haydon Wick 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 Swindon Borough Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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.

Haydon Wick Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,604,000	2,604,000
Budget surplus on LA funds	129,413	-	-	129,413
LGPS pension deficit	-	(232,000)	-	(232,000)
Net assets/(liabilities)	<u>129,413</u>	<u>(232,000)</u>	<u>2,604,000</u>	<u>2,501,413</u>

The above net assets include £129,413 that was transferred as cash.

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The Ridgeway School & Sixth Form College

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	18,945,639	18,945,639
- Other tangible fixed assets	-	-	1,023,716	1,023,716
Budget surplus/(deficit) on other school funds	(190,000)	451,671	-	261,671
LGPS pension surplus/(deficit)	-	(700,000)	-	(700,000)
	<u>(190,000)</u>	<u>(248,329)</u>	<u>19,969,355</u>	<u>19,531,026</u>
Net assets/(liabilities)	<u>(190,000)</u>	<u>(248,329)</u>	<u>19,969,355</u>	<u>19,531,026</u>

The above net assets include £261,671 that were transferred as cash.

Gloucester Academy

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	13,269,257	13,269,257
- Other tangible fixed assets	-	-	1,161,059	1,161,059
Budget surplus/(deficit) on other school funds	-	(729,356)	(210,000)	(939,356)
LGPS pension surplus/(deficit)	-	(2,639,000)	-	(2,639,000)
	<u>-</u>	<u>(3,368,356)</u>	<u>14,220,316</u>	<u>10,851,960</u>
Net assets/(liabilities)	<u>-</u>	<u>(3,368,356)</u>	<u>14,220,316</u>	<u>10,851,960</u>

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

Peak Academy

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,361,959	2,361,959
- Other tangible fixed assets	-	-	6,708	6,708
Budget surplus/(deficit) on other school funds	(4,518)	4,518	-	-
LGPS pension surplus/(deficit)	-	(457,000)	-	(457,000)
	<u>(4,518)</u>	<u>(452,482)</u>	<u>2,368,667</u>	<u>1,911,667</u>
Net assets/(liabilities)	<u>(4,518)</u>	<u>(452,482)</u>	<u>2,368,667</u>	<u>1,911,667</u>

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

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Greenfield Academy

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
LGPS pension surplus/(deficit)	-	(243,000)	-	(243,000)
Net assets/(liabilities)	<u>-</u>	<u>(243,000)</u>	<u>-</u>	<u>(243,000)</u>

The above net liabilities include £Nil that were transferred as cash.

Greenfield School does not actually own any assets or have a school site, all students are schooled as part of Peak Academy.

28. CAPITAL COMMITMENTS

At 31 August 2015 the Federation had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>1,038,295</u>	<u>205,471</u>

29. PENSION COMMITMENTS

The Federation's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Swindon Borough Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and

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29. PENSION COMMITMENTS (continued)

Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £905,614 (2014: £307,467).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Federation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Federation has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £1,367,000, of which employer's contributions totalled £1,082,000 and employees' contributions totalled £283,000. The agreed contribution rates for future years are 22.3% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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29. PENSION COMMITMENTS (continued)

The Federation's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.30	5,667,000	6.30	2,270,000
Bonds	3.40	1,412,000	3.40	544,000
Property	4.50	854,000	4.50	320,000
Cash	3.30	133,000	3.30	64,000
Total market value of assets		<u>8,066,000</u>		<u>3,198,000</u>
Present value of scheme liabilities		<u>(15,024,000)</u>		<u>(5,019,000)</u>
Deficit in the scheme		<u><u>(6,958,000)</u></u>		<u><u>(1,821,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(15,024,000)	(5,019,000)
Fair value of scheme assets	<u>8,066,000</u>	<u>3,198,000</u>
Net liability	<u><u>(6,958,000)</u></u>	<u><u>(1,821,000)</u></u>

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

	2015 £	2014 £
Current service cost	(1,270,000)	(466,000)
Interest on obligation	(514,000)	(157,000)
Expected return on scheme assets	429,000	142,000
Past service cost	6,000	-
Total	<u><u>(1,349,000)</u></u>	<u><u>(481,000)</u></u>

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29. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	5,019,000	2,478,000
Current service cost	1,270,000	466,000
Interest cost	514,000	157,000
Contributions by scheme participants	285,000	123,000
Actuarial (Gains)/losses	(107,000)	936,000
Past service costs	(6,000)	-
Benefits paid	(112,000)	(11,000)
Liability transferred on conversion	8,161,000	870,000
	<u>15,024,000</u>	<u>5,019,000</u>
Closing defined benefit obligation	<u>15,024,000</u>	<u>5,019,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	3,198,000	1,735,000
Expected return on assets	429,000	142,000
Actuarial gains	(706,000)	220,000
Contributions by employer	1,082,000	454,000
Contributions by employees	285,000	123,000
Benefits paid	(112,000)	(11,000)
Asset transferred on conversion	3,890,000	535,000
	<u>8,066,000</u>	<u>3,198,000</u>
	<u>8,066,000</u>	<u>3,198,000</u>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £1,416,000 (2014: £817,000).

The Federation expects to contribute £1,092,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	70.00 %	71.00 %
Bonds	18.50 %	17.00 %
Property	10.00 %	10.00 %
Cash	1.50 %	2.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.75 %	3.70 %
Expected return on scheme assets at 31 August	3.75 %	5.60 %
Rate of increase in salaries	4.25 %	4.50 %
Rate of increase for pensions in payment / inflation	2.65 %	2.70 %

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29. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.4 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.2 years	24.1 years
Females	26.9 years	26.9 years

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(15,024,000)	(5,019,000)	(2,478,000)
Scheme assets	8,066,000	3,198,000	1,735,000
Deficit	(6,958,000)	(1,821,000)	(743,000)
Experience adjustments on scheme liabilities	107,000	(936,000)	(180,000)
Experience adjustments on scheme assets	(706,000)	220,000	79,000

30. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Federation had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
EXPIRY DATE:				
Within 1 year	-	-	75,111	-
Between 2 and 5 years	-	-	36,524	44,145
After more than 5 years	239,318	218,188	-	-

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 the next financial year. This agreement will expire in 2030 and each annual payment is subject to inflationary increases.

31. RELATED PARTY TRANSACTIONS

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

During the year purchases totalling £44,974 (2014: £51,533) were made from Harrison Clark Rickerbys LLP, a partnership in which M Wolton was a partner until March 2015. The outstanding balance at the year end was £Nil (2014: £Nil). During the year purchases totalling £20,171 (2014: £Nil) were made from Clark Holt, a partnership in which M Wolton became a partner from March 2015. The outstanding balance at the year end was £Nil (2014: £Nil). As with other transactions, these arrangements were conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures. M Wolton resigned as a Trustee of White Horse Federation on 7 July 2015.

During the year purchases totalling £Nil (2014: £1,495) were made from DA Cooke Wholesale & Vending Limited, a company which I Cooke is sole director and 50% shareholder. As with other transactions, this arrangement was conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures.

There were no other significant transactions during the period.