

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Trustees**

L Connor (appointed 18 May 2012)<sup>5,6</sup>  
N Capstick (appointed 18 May 2012)<sup>1,2,6</sup>  
H Brown (appointed 18 May 2012)<sup>1,3,6</sup>  
I Cooke, Chair (appointed 18 May 2012)<sup>1,2,6</sup>  
C Humphreys, Vice Chair (appointed 18 May 2012, resigned 30 September 2013)<sup>4,6</sup>  
B Owen (appointed 18 May 2012, resigned 30 September 2013)<sup>4</sup>  
M Checchia (appointed 18 May 2012, resigned 18 April 2013)  
J Powles (appointed 18 May 2012, resigned 30 September 2013)<sup>3</sup>  
P Lender-Swain (appointed 18 May 2012, resigned 30 September 2013)<sup>4</sup>  
K Archer (appointed 18 May 2012, resigned 2 October 2012)  
J Warhurst (appointed 18 May 2012, resigned 11 September 2013)<sup>2</sup>  
K Poole (appointed 8 October 2012, resigned 30 September 2013)<sup>4</sup>  
D Bond (appointed 8 October 2012, resigned 30 September 2013)<sup>4</sup>  
M Read (appointed 18 May 2012, resigned 3 September 2012)  
R Beaton (appointed 18 May 2012, resigned 30 September 2013)<sup>5</sup>  
S Hagan (appointed 18 May 2012)<sup>1,2</sup>  
M Woodward (appointed 18 May 2012, resigned 17 September 2012)  
C Barker (appointed 18 May 2012, resigned 15 November 2012)  
J Jarvis (appointed 18 May 2012)<sup>5</sup>  
L Saunders (appointed 18 May 2012)<sup>3,6</sup>  
J Phipps (appointed 18 May 2012, resigned 3 September 2012)  
L Day (appointed 18 May 2012, resigned 3 September 2012)  
B Campkin (appointed 17 September 2012, resigned 21 June 2013)

- 1 Finance Committee
- 2 Curriculum Committee
- 3 Family Services Committee
- 4 AEN and SEN Safeguarding Committee
- 5 Premises and Health & Safety Committee
- 6 Staffing 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

**Independent auditors**

Bishop Fleming  
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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**Advisers (continued)**

**Solicitors**

Rickerbys LLP  
Ellenborough House  
Wellington Street  
Cheltenham  
United Kingdom  
GL50 1YD

**THE WHITE HORSE FEDERATION  
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**TRUSTEES' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2013.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy (was incorporated on 18 May 2012 and opened as an Academy on 1 July 2012) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

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

Details of the Trustees who served throughout the period, 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.

**Principal Activity**

The principal activities are:

- to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a group of schools offering a broad and balanced curriculum.
- to provide childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children to enable them to better identify and help meet the needs of children.
- to provide a Centre of Excellence and Training for continuous professional development within the education sector.

**TRUSTEES**

**Method of recruitment and appointment or election of Trustees**

On 1st July 2012 the Trustees appointed all those Trustees that served the predecessor schools to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 11 Trustees, appointed under Article 50
- Up to 4 Staff Trustees, appointed under Article 50A (including the Co-Chief Executive Officers)
- Academy Trustees and Special Academy Directors appointed under Article 51 or Article 52
- The Co-Chief Executive Officers
- 7 or more Parent Trustees appointed under and subject to Articles 53-56
- Any additional Trustees, if appointed under Article 61, 61A, 61C or 67A
- Any further Trustees, if appointed under Article 62 or Article 67A

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- Up to 2 Trustees, if appointed by the Secretary of State in accordance with the terms of any of the Relevant Funding Agreements following the provision of a notice by the Company to terminate that Relevant Funding Agreement.

Trustees are appointed for a four year period, except that this time limit does not apply to the Co-Chief Executive Officers. 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 Academy's development.

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

The Academy 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.

**Organisational Structure**

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

There are the following committees:

- **Finance and Audit Committee** - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Curriculum Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Premises and Health & Safety Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and procedures in relation to site audits, contracts/contractors, health & safety, maintenance and risk assessments. Agrees a Programme of work for on-going repairs and maintenance and prepares long term strategy for work to enhance the working environment.
- **AEN and SEN Safeguarding Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and procedures in relation to pupils with special or additional needs through the SENCO. This includes receiving reports from the SENCO on SEN/GT, Care plans and medical needs. Receives regular updates on safeguarding issues and contributes to the annual safeguarding report.
- **Family Services** - this meets once a term to monitor, evaluate and review Academy policy, practice and procedures in relation to establishing and developing the Children's Centres, 0-5 provision, including promoting links with the local community, and local/national businesses.
- **Staffing Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and procedures in relation to all staffing issues. This includes appointments of staff, pay discretions, dismissals and suspensions through the relevant committees.

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- Committees with specific functions:
  - o **Pupil Discipline Committee** - exercises trustees' functions in relation to the exclusion of pupils, made up of a panel of 5 from FGB
  - o **Staff Discipline Committee** - exercises trustees' functions in relation to discipline and dismissal of staff, made up of a panel of 5 from FGB
  - o **Appeals Committee** - set up when required, to hear appeals against decisions made by the committees of the governing body

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive and Clerk to the Trustees, 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 Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees have devolved responsibility for day to day management of the Academy to the Chief Executives ("CEOs"). The CEOs implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the 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) consists of the CEOs, the Headteachers of each school, and an Executive Business Director. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The CEOs and Executive Business Director and 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 CEOs are responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Academy Trust comprises of five primary schools and one Special School – The Croft Primary School, Drove Primary School, Rodbourne Cheney Primary School, Tregoze Primary School, Mountford Manor Primary School and Nyland Special School. All of the schools share a Governing Body responsible for day to day operations and management of the schools budgets. The Trust Board comprises of Trustees elected from the parents of each school.

The joint CEO, Dr Nick Capstick is the Accounting Officer.

**Risk management**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances.

The Trustees have implemented a system to assess risks that the Academy 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 Academy 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 Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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The Academy has undertaken a full review of the main areas of risks which it faces and a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

**Connected Organisations, including Related Party Relationships**

Moredon Primary School has use of the Academy's central team facilities and there is a shared use agreement between them and the Academy. Moredon Primary School joined The White Horse Federation on the 1 October 2013.

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a federation, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of The White Horse Federation to provide free education and care for pupils of different abilities between the ages of 2 and 11.

The aims of the Academy Trust during the period ended 31 August 2013 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 students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Federation sites so that they enable students 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 students 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.

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. Our Federation is a community in which children, staff and parents should be part of a happy and caring environment.



**TRUSTEES' REPORT (continued)  
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**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Federation Development Plan. Improvement focuses identified for this year include:

- Development of outdoor and indoor learning environment at Mountford Manor Primary School.
- Development and Training of a Central Services Team.
- Quality of teaching and learning - The Federation has a target that at least 80% of all teaching in each school will be "Good" or better, i.e. "Outstanding". To achieve this regular assessments are made of the quality of teaching by undertaking lesson observations at least three times a year. The outcomes of which are triangulated with statistical data and work scrutiny from childrens' books. The WHF is committed to ensure that all children reach their maximum potential and a minimum of between 4-6 APS points progress is expected of every child. Each child and every significant group, e.g. BME, FSM or SEND children, within a cohort are set challenging targets which are reviewed every six weeks.
- Ambitious targets are set but this year we have raised the attainment bar and our expectations have risen as shown below with a minimum of 85% of each year group being expected to hit their new age related expectations.

**Age related expectations:**

<b>Year</b>	<b>Was</b>	<b>2013/14</b>
1	1B	1A
2	2B	2A
3	2A	3B
4	3B	3A
5	4C	4B
6	4B	5C

Key activities and targets were identified in the Federation Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- review of numeracy, literacy and ICT capability.
- review of staffing levels in the light of budgetary pressure.
- further development of internal communication.
- review, development and embedding of key financial, HR and administrative procedures arising from conversion.
- continued development of systems for tracking and monitoring pupil attainment.
- range of activities to promote community adhesion and support of other charities activities.

**Public Benefit**

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

The Multi Academy Trust aims to advance for the public benefit, education in Wiltshire and the surrounding area. In particular, but without prejudice to the generality of the forgoing by establishing, maintaining, managing and developing schools, offering a broad curriculum.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

Over 50 volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

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Trustees are very proud to celebrate the on-going success of the Trust in being the only organisation in the country to be awarded a second Teaching School. Swindon Teaching School has successfully mentored two other consortia who then became Teaching Schools in their own right. The WHF and the Swindon Teaching School have been the lead and key instigators of the Swindon Alliance which brings together 36 Primary and every Secondary school in Swindon in developing school led reform in the locality.

We have trained over 160 student teachers in the last 14 months.

We have supported 5 schools with school to school support as NLE's during this time.

Provision for 2 year olds was successfully introduced at Mountford Manor Primary and Drove Primary School in order to meet the needs for funded places in the local area.

Nyland Special School was inspected, and judged as good. Trustees would like to thank all the staff for the work they did in turning the school around and bringing it out of special measures.

Our first sponsored and newest academy, The Croft continues to thrive and we welcomed 51 pupils to our reception class this year.

The WHF are proud to have two schools in the top 5 of all schools in Swindon with regard to progress, with one of our schools topping the league table for progress.

In addition to Lauren Connor, Nick Capstick also became a National Leader of Education this year, and Drove was awarded NSS school status.

We have been fortunate enough to have received significant support from the DfE in helping us to grow as an organisation in both size and strength.

Lauren Connor continues to play a significant part in the Primary Headteachers reference group at the DfE.

This year, the WHF have been involved in supporting a number of key NCTL programmes.

We have created and developed a highly effective central team infrastructure supporting HR, Finance, Estates, ICT and Pupil Services management across the federation.

During the year, the Academy secured a capital grant for the following:

- £248k – Replacement of all windows at Mountford Manor
- £53k – Replacement of windows at Drove Campus
- £57k – Replace of Boiler system at Nyland Campus

The KS2 data for our schools are detailed below (Moredon Primary is also included):

	<b>Reading L4+</b>	<b>Writing L4+</b>	<b>Maths L4+</b>	<b>Reading % age 2 levels progress Ks1-2</b>	<b>Writing % age 2 levels progress Ks1-2</b>	<b>Maths % age 2 levels progress Ks1-2</b>
Rodbourne Cheney Primary School	96%	96%	96%	96%	100%	100%
Moredon Primary & Nursery School	98%	100%	98%	91%	96%	98%
Drove Primary School	81%	89%	86%	91%	98%	91%
Mountford Manor Primary School	79%	82%	82%	71%	100%	93%
Tregoze Primary School	93%	86%	90%	86%	97%	89%
Nyland Campus	33%	8%	38%	67%	67%	58%

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**TRUSTEES' REPORT (continued)  
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**Going Concern**

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

**Key Financial 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, £275,150 was carried forward representing 4.1% of GAG.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Multi Academy Trust'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 period ended 31 August 2013 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Multi Academy Trust also receives grants for fixed assets from the DfE and 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 Multi Academy trust's accounting policies.

Due to the Multi Academy Trust operating two teaching Schools, two children centres and three nurseries, there is also funding received from the local authority and the National College of School Leadership included within the results.

During the 14 month period ended 31 August 2013, total expenditure of £9,620,217 was covered by recurrent grant funding from the DfE, together with other incoming resources of £23,778,464. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £1,729,330.

At 31 August 2013 the net book value of fixed assets was £12,558,947 and movements in tangible fixed assets are shown in Note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were valued with professional assistance on 31 March 2013 at £12,407,208. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share (£1,189,941) was transferred across on conversion and is shown as Unrestricted Funds.

The Academy 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 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted an internal audit policy and appointed Financial Services for Schools Limited (FS4S) to undertake a programme of internal checks on the financial controls. During the period, the Trustees received 2 reports from the internal auditor which contained no matters of significance.

**TRUSTEES' REPORT (continued)  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**Financial and Risk Management Objectives and Policies**

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Due to the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review bank balances and ensure sufficient funds are held to cover all known and anticipated commitments.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Multi Academy Trust are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the period to 31 August 2013 83% of the Academy's incoming resources was 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 Academy'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 Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student 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 Academy is reliant on 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 Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy 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 Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

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**Reserves Policy**

The Trustees review the reserve levels of the Academy 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 Academy, 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 £660,000, representing one month's charitable activities resources expended (excluding depreciation). 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 Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,417,381.

The majority of the free reserves relate to balances brought forward on conversion. These are planned to be utilised over the next three years to enable us to retain key staff while funding levels are ever decreasing and plan for future growth by training and developing our staff and maintaining and expanding where necessary our sites and systems.

**Investment Policy**

During the coming year the Governors will consider investing free reserves.

**PLANS FOR FUTURE PERIODS**

The Federation will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Federation will work to introduce a strategy to attract and retain high quality teachers and support staff in order to deliver its objectives.

The Federation will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are set out in our Federation Development Plans and Central Development Plan.

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.

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

The Academy 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, we promote and ensure equity within our recruitment process eg once an applicant with a disability applies to work at the federation they are considered, under the Guaranteed Interview Scheme (if they meet the minimum criteria as specified in the Person Specification) an interview within the Federation.

The Federation also 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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**For Employee Consultation**

Both the Executive Business Director and HR Manager pre plan all potential development changes for the Federation and work 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

All of these details are shared with all stakeholder listed above.

**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, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the Board of Trustees on 28 November 2013 and signed on its behalf by:



**I Cooke  
Chair of Trustees**

## GOVERNANCE STATEMENT

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### SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 7 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Connor	7	7
N Capstick	6	7
H Brown	7	7
I Cooke, Chair	7	7
C Humphreys, Vice Chair	5	7
B Owen	7	7
M Checchia	4	5
J Powles	7	7
P Lender-Swain	5	7
K Archer	1	2
J Warhurst	2	7
K Poole	3	5
D Bond	4	5
M Read	0	1
R Beaton	1	7
S Hagan	7	7
M Woodward	0	1
C Barker	0	2
J Jarvis	4	7
L Saunders	4	7
J Phipps	0	1
L Day	0	1
B Campkin	6	6

The Finance and Audit Committee is a sub-committee of the main Trustees. The purpose of the Finance and Audit 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 and Audit Committee has formally met 6 times during the year.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
L Connor	1	1
N Capstick	5	6
H Brown	6	6
I Cooke	6	6
S Hagen	6	6

**GOVERNANCE STATEMENT (continued)**

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**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 Academy 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 period 18 May 2012 to 31 August 2013 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 Academy 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 Academy's significant risks, that has been in place for the period 18 May 2012 to 31 August 2013 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 Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint FS4S Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy'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.



**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

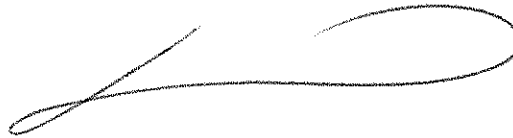
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28 November 2013 and signed on their behalf, by:



**I Cooke  
Chair of Trustees**



**N Capstick  
Accounting Officer**

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

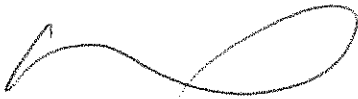
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The White Horse Federation I have considered my responsibility to notify the Academy 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 Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**N Capstick  
Accounting Officer**

Date: 28 November 2013

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

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2013**

---

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 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;
- 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 the 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:



**I Cooke**  
Chair of Trustees

Date: 28 November 2013

**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 period ended 31 August 2013 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 2013 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the 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 Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Academy'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. 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 Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2013 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 for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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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**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 28 November 2013

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

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

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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 2013, 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 period 18 May 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The White Horse Federation and the 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 the 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 the 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 AUDITORS**

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 2006, 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 2013. 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 period 18 May 2012 to 31 August 2013 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 2013 issued by the 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 Academy's income and expenditure.

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

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

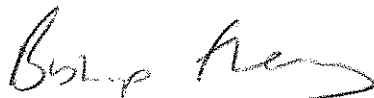
**CONCLUSION**

THE WHITE HORSE FEDERATION  
(A COMPANY LIMITED BY GUARANTEE)

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

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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 period 18 May 2012 to 31 August 2013 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 (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 29 November 2013

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of recognised gains and losses)  
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Transfer on conversion	2	1,192,977	(442,790)	12,658,580	13,408,767
Other voluntary income	2	65,623	52,826	-	118,449
Activities for generating funds	3	42,618	-	-	42,618
Investment income	4	2,554	-	-	2,554
Incoming resources from charitable activities	5	851,217	9,287,847	67,012	10,206,076
<b>TOTAL INCOMING RESOURCES</b>		<b>2,154,989</b>	<b>8,897,883</b>	<b>12,725,592</b>	<b>23,778,464</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	7	737,608	8,522,411	337,008	9,597,027
Governance costs	10	-	23,190	-	23,190
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>737,608</b>	<b>8,545,601</b>	<b>337,008</b>	<b>9,620,217</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>					
		<b>1,417,381</b>	<b>352,282</b>	<b>12,388,584</b>	<b>14,158,247</b>
Transfers between Funds	19	-	(130,030)	130,030	-
<b>NET INCOME FOR THE YEAR</b>		<b>1,417,381</b>	<b>222,252</b>	<b>12,518,614</b>	<b>14,158,247</b>
Actuarial gains and losses on defined benefit pension schemes		-	(101,000)	-	(101,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>1,417,381</b>	<b>121,252</b>	<b>12,518,614</b>	<b>14,057,247</b>
Total funds at 18 May 2012		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2013</b>		<b>1,417,381</b>	<b>121,252</b>	<b>12,518,614</b>	<b>14,057,247</b>

All of the Academy's activities derive from acquisitions in the current financial period.

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

The notes on pages 25 to 46 form part of these financial statements.



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

BALANCE SHEET  
AS AT 31 AUGUST 2013

	Note	£	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	16		12,558,947
<b>CURRENT ASSETS</b>			
Debtors	17	255,190	
Cash at bank and in hand		2,491,439	
		<u>2,746,629</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	(505,329)	
<b>NET CURRENT ASSETS</b>			<u>2,241,300</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Defined benefit pension scheme liability	27		14,800,247
			<u>(743,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>14,057,247</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
General funds	19	823,919	
Fixed asset funds	19	12,558,947	
		<u>13,382,866</u>	
Restricted funds excluding pension liability			
Pension reserve		(743,000)	
		<u>12,639,866</u>	
Total restricted funds			12,639,866
Unrestricted funds	19		1,417,381
			<u>14,057,247</u>
<b>TOTAL FUNDS</b>			<u><u>14,057,247</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2013 and are signed on their behalf, by:



I Cooke  
Chair of Trustees



N Capstick  
Accounting Officer

The notes on pages 25 to 46 form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>Note</b>	<b>2013 £</b>
Net cash flow from operating activities	21	1,208,516
Returns on investments and servicing of finance	22	2,554
Capital expenditure and financial investment	22	(170,363)
Cash transferred on conversion to an academy trust	25	1,450,732
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>2,491,439</b>

All of the cash flows are derived from acquisitions in the current financial period.

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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	<b>2013 £</b>
Increase in cash in the period	2,491,439
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>2,491,439</b>
<b>NET FUNDS AT 31 AUGUST 2013</b>	<b>2,491,439</b>

The notes on pages 25 to 46 form part of these financial statements.

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. 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 2013 issued by the 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 Academy 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 Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

**1.3 FUND ACCOUNTING**

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

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1. ACCOUNTING POLICIES (continued)

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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.

1.5 RESOURCES EXPENDED

All 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.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy'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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

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1. ACCOUNTING POLICIES (continued)

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 Academy'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:

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

1.8 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

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 Drove, Mountford Manor, Nyland Special, Rodbourne Cheney and Tregoze Primary schools 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.

Further details of the transaction are set out in note 25.

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer on conversion	1,192,977	12,215,790	13,408,767
Donations	65,623	52,826	118,449
Voluntary income	<u>1,258,600</u>	<u>12,268,616</u>	<u>13,527,216</u>

THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings	38,467	-	38,467
External Catering	4,001	-	4,001
Consultancy	150	-	150
	<u>42,618</u>	<u>-</u>	<u>42,618</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	2,554	-	2,554
	<u>2,554</u>	<u>-</u>	<u>2,554</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Education	143,067	8,684,059	8,827,126
Children's Centre	-	391,835	391,835
Nursery	307,081	-	307,081
Support for other schools	401,069	278,965	680,034
	<u>851,217</u>	<u>9,354,859</u>	<u>10,206,076</u>

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
<b>DfE/EFA grants</b>			
General Annual Grant	-	6,747,972	6,747,972
Start up Grants	-	175,000	175,000
Other Dfe/EFA grants	1,600	286,704	288,304
Capital Grants	-	425,092	425,092
	<u>1,600</u>	<u>7,634,768</u>	<u>7,636,368</u>
<b>Other government grants</b>			
Special Educational Needs	-	309,675	309,675
Other government grants non capital	13,000	714,903	727,903
	<u>13,000</u>	<u>1,024,578</u>	<u>1,037,578</u>
<b>Other funding</b>			
Internal catering income	81,321	-	81,321
Sales to students	6,413	-	6,413
Other	40,733	24,713	65,446
	<u>128,467</u>	<u>24,713</u>	<u>153,180</u>
	<u>143,067</u>	<u>8,684,059</u>	<u>8,827,126</u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Direct costs - Education	5,038,099	-	950,508	5,988,607
Direct costs - Children's Centre	254,524	-	565	255,089
Direct costs - Nursery	290,704	-	15,756	306,460
Direct costs - Support for other schools	119,215	-	52,964	172,179
Support costs - Education	923,086	721,086	840,476	2,484,648
Support costs - Children's Centre	40,001	97,160	8,510	145,671
Support costs - Nursery	-	2	868	870
Support costs - Support for other schools	117,030	80	126,393	243,503
<b>CHARITABLE ACTIVITIES</b>	<u>6,782,659</u>	<u>818,328</u>	<u>1,996,040</u>	<u>9,597,027</u>
<b>GOVERNANCE</b>	<u>7,433</u>	<u>-</u>	<u>15,757</u>	<u>23,190</u>
	<u>6,790,092</u>	<u>818,328</u>	<u>2,011,797</u>	<u>9,620,217</u>



THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £	Support costs 2013 £	Total 2013 £
Education	5,988,607	2,484,648	8,473,255
Children's Centre	255,089	145,671	400,760
Nursery	306,460	870	307,330
Support for other schools	172,179	243,503	415,682
Total	<u>6,722,335</u>	<u>2,874,692</u>	<u>9,597,027</u>

8. DIRECT COSTS

	Education £	Children's Centre £	Nursery £	Support for other schools £	Total 2013 £
Pension finance costs	16,120	-	-	-	16,120
Educational supplies	245,708	-	13,529	2,760	261,997
Staff development	63,361	-	-	49,693	113,054
Other costs	177,097	207	1,227	454	178,985
Supply teachers	99,280	358	-	-	99,638
Technology costs	11,934	-	1,000	57	12,991
Wages and salaries	4,117,968	214,439	287,728	119,215	4,739,350
National insurance	301,151	12,416	2,976	-	316,543
Pension cost	618,980	27,669	-	-	646,649
Depreciation	337,008	-	-	-	337,008
	<u>5,988,607</u>	<u>255,089</u>	<u>306,460</u>	<u>172,179</u>	<u>6,722,335</u>

THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

9. SUPPORT COSTS

	Education £	Children's Centre £	Nursery £	Support for other schools £	Total 2013 £
Pension finance costs	9,880	-	-	-	9,880
Other costs	5,705	-	-	-	5,705
Recruitment and other staff costs	57,811	-	-	509	58,320
Maintenance of premises and equipment	617,824	72,154	-	-	689,978
Cleaning	45,141	11,139	2	80	56,362
Rent and rates	18,701	570	-	-	19,271
Heat and light	140,890	20,943	-	-	161,833
Insurance	73,541	-	-	-	73,541
Catering	101,148	148	868	4,504	106,668
Technology costs	57,146	425	-	9,765	67,336
Office overheads	48,429	191	-	557	49,177
Legal and professional	385,004	100	-	111,058	496,162
Bank interest and charges	342	-	-	-	342
Wages and salaries	750,108	33,722	-	117,030	900,860
National insurance	39,513	1,146	-	-	40,659
Pension cost	133,465	5,133	-	-	138,598
	<u>2,484,648</u>	<u>145,671</u>	<u>870</u>	<u>243,503</u>	<u>2,874,692</u>

10. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	14,075	14,075
Auditors' non audit costs	-	640	640
Legal and Professional	-	1,042	1,042
Governance expense - wages and salaries	-	6,304	6,304
Governance expense - pension costs	-	1,129	1,129
	<u>-</u>	<u>23,190</u>	<u>23,190</u>

11. NET INCOMING RESOURCES

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets: - owned by the charity	337,008
Auditors' remuneration	14,075
Auditors' remuneration - non-audit	640
	<u>351,723</u>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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**12. STAFF COSTS**

Staff costs were as follows:

	<b>2013</b>
	<b>£</b>
Wages and salaries	5,646,513
Social security costs	357,201
Other pension costs (Note 27)	786,376
	<hr/>
	<b>6,790,090</b>
	<hr/> <hr/>

The average number of persons (including the senior management team) employed by the Academy during the period expressed as full time equivalents was as follows:

	<b>2013</b>
	<b>No.</b>
Teachers	51
Educational support	77
Administration and other support	54
Management	13
	<hr/>
	<b>195</b>
	<hr/> <hr/>

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

	<b>2013</b>
	<b>No.</b>
In the band £60,001 - £70,000	2
In the band £120,001 - £130,000	1
	<hr/>
	<b>3</b>
	<hr/> <hr/>

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £35,002.

**13. CENTRAL SERVICES**

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

Due to the structure of the Federation and close inter-relationship and sharing of resources between the Academies, there are no formal recharges made from Central Services to the individual Academies.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

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**14. TRUSTEES' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 2 Trustees in respect of defined contribution pension schemes.

During the period retirement benefits were accruing to 1 Trustee in respect of defined benefit pension schemes.

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of 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 academy in respect of their role as Trustees.

The value of staff Trustee's remuneration and pension contributions in respect of defined benefit pension schemes over the 14 month period fell into £5,000 bandings as follows: B Campkin £45,000 - £50,000 and N Capstick £160,000 - £165,000.

The value of staff Trustee's remuneration and pension contributions in respect of defined contribution pension schemes over the 14 month period fell into £5,000 bandings as follows: H Brown £70,000 - £75,000.

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,031.

The cost of this insurance is included in the total insurance cost.

THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>					
At 18 May 2012	-	-	-	-	-
Additions	27,141	-	121,281	88,953	237,375
Transfer on conversion	12,407,208	17,805	131,806	101,761	12,658,580
At 31 August 2013	12,434,349	17,805	253,087	190,714	12,895,955
<b>DEPRECIATION</b>					
At 18 May 2012	-	-	-	-	-
Charge for the period	219,258	3,561	50,618	63,571	337,008
At 31 August 2013	219,258	3,561	50,618	63,571	337,008
<b>NET BOOK VALUE</b>					
At 31 August 2013	12,215,091	14,244	202,469	127,143	12,558,947

Land and buildings 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 as at 31 March 2013, which were performed using the Depreciated Replacement Cost method.

Included in land and buildings is freehold land at valuation of £1,444,310, which is not depreciated.

17. DEBTORS

	2013 £
Trade debtors	24,971
Other debtors	195,530
Prepayments and accrued income	34,689
	<u>255,190</u>

18. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £
Trade creditors	93,667
Other taxation and social security	95,431
Other creditors	97,976
Accruals and deferred income	218,255
	<u>505,329</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

18. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	£
<b>DEFERRED INCOME</b>	
Resources deferred during the year	123,980

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
Early Years Single Formula Funding	-	320,081	(320,081)	-	-	-
General funds	-	1,834,908	(417,527)	-	-	1,417,381
	<u>-</u>	<u>2,154,989</u>	<u>(737,608)</u>	<u>-</u>	<u>-</u>	<u>1,417,381</u>
<b>RESTRICTED FUNDS</b>						
	£	£	£	£	£	£
General Annual Grant	-	6,747,972	(6,450,534)	(22,138)	-	275,300
Special Educational Needs	-	309,675	(309,675)	-	-	-
Pupil premium	-	180,191	(180,191)	-	-	-
Start up grant	-	175,000	(144,164)	-	-	30,836
Croft Academy set up funding	-	352,838	(94,517)	(94,477)	-	163,844
Sure Start Grant	-	463,492	(402,911)	-	-	60,581
Teaching School funding	-	347,173	(106,170)	-	-	241,003
Academies Capital Maintainance Fund	-	358,080	(358,080)	-	-	-
Trigger funding	-	147,476	(147,476)	-	-	-
Other restricted funds	-	415,653	(349,883)	(13,415)	-	52,355
Pension reserve	-	(640,000)	(2,000)	-	(101,000)	(743,000)
	<u>-</u>	<u>8,857,550</u>	<u>(8,545,601)</u>	<u>(130,030)</u>	<u>(101,000)</u>	<u>80,919</u>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	-	<b>12,698,913</b>	<b>(303,355)</b>	-	-	<b>12,395,558</b>
Fixed assets purchased from GAG and other restricted funds	-	-	-	<b>130,030</b>	-	<b>130,030</b>
DfE/EFA Capital grants	-	<b>67,012</b>	<b>(33,653)</b>	-	-	<b>33,359</b>
	-	<b>12,765,925</b>	<b>(337,008)</b>	<b>130,030</b>	-	<b>12,558,947</b>
Total restricted funds	-	<b>21,623,475</b>	<b>(8,882,609)</b>	-	<b>(101,000)</b>	<b>12,639,866</b>
Total of funds	-	<b>23,778,464</b>	<b>(9,620,217)</b>	-	<b>(101,000)</b>	<b>14,057,247</b>

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 school.

Special Education Needs funding is received from the EFA to cater for pupils with learning difficulties and other disabilities.

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

Start up grant represents funding from the Department 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 academy trust.

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

Sure Start Grant is received from Swindon Borough Council for the Children's Centres.

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.

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.

Other restricted funds represents amounts received from various bodies and includes income under the following initiatives; Graduate Teacher programme, Educational visits, Behaviour Support Service, Child and Adolescent Mental Health Services and Pupil Referral Unit

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013**

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

Pension reserve represents the Academy'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 Academy 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 Bourough 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.

DfE / EFA Capital grants represents devolved capital funding received for the period.

**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.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2013 were allocated as follows:

The Croft Primary Academy	173,313
Drove Primary School	128,278
Mountford Manor Primary School	45,670
Nyland Special School	46,144
Rodbourne Cheney Primary School	99,027
Tregoze Primary School	49,649
Central Services	1,699,219
	<hr/>
Total before fixed asset fund and pension reserve	2,241,300
Restricted fixed asset fund	12,558,947
Pension reserve	(743,000)
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Total	14,057,247
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THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

19. 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 £
The Croft Primary Academy	165,837	52,425	23,057	82,863	324,182
Drove Primary School	2,249,148	373,787	95,551	527,382	3,245,868
Mountford Manor Primary School	947,106	176,759	38,392	544,141	1,706,398
Nyland Special School	926,355	134,544	28,658	309,942	1,399,499
Rodbourne Cheney Primary School	485,880	269,870	39,488	245,812	1,041,050
Tregoze Primary School	683,549	112,586	34,092	173,623	1,003,850
Central Services	104,215	108,030	2,760	347,357	562,362
	<u>5,562,090</u>	<u>1,228,001</u>	<u>261,998</u>	<u>2,231,120</u>	<u>9,283,209</u>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	2,154,989	(737,608)	-	-	1,417,381
Restricted funds	-	8,857,550	(8,545,601)	(130,030)	(101,000)	80,919
Restricted fixed asset funds	-	12,765,925	(337,008)	130,030	-	12,558,947
	<u>-</u>	<u>23,778,464</u>	<u>(9,620,217)</u>	<u>-</u>	<u>(101,000)</u>	<u>14,057,247</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	12,558,947	12,558,947
Current assets	1,417,381	1,329,247	-	2,746,628
Creditors due within one year	-	(505,328)	-	(505,328)
Provisions for liabilities and charges	-	(743,000)	-	(743,000)
	<u>1,417,381</u>	<u>80,919</u>	<u>12,558,947</u>	<u>14,057,247</u>

THE WHITE HORSE FEDERATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 AUGUST 2013

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	14,158,247
Returns on investments and servicing of finance	(2,554)
Net assets transferred on conversion	(13,469,312)
Depreciation of tangible fixed assets	337,008
Capital grants from DfE	(67,012)
Increase in debtors	(255,190)
Increase in creditors	505,329
Defined benefit pension scheme adjustments	2,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>1,208,516</b>

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

	2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	
Interest received	2,554
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	
Purchase of tangible fixed assets	(237,375)
Capital grants from DfE	67,012
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(170,363)</b>

23. ANALYSIS OF CHANGES IN NET FUNDS

	18 May 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand:	-	2,491,439	-	2,491,439
<b>NET FUNDS</b>	<b>-</b>	<b>2,491,439</b>	<b>-</b>	<b>2,491,439</b>

24. MEMBERS' LIABILITY

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

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**25. CONVERSION TO AN ACADEMY TRUST**

On 1 July 2012 Drove, Mountford Manor, Nyland Special, Rodbourne Cheney and Tregoze Primary schools converted to academy trust status under the Academies Act 2010, followed by The Croft Primary School which opened on 1 September 2013. 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 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	12,407,208	12,407,208
- Other tangible fixed assets	-	-	251,372	251,372
Budget surplus on LA funds	1,189,941	156,877	40,333	1,387,151
Budget surplus/(deficit) on other school funds	3,036	-	-	3,036
LGPS pension deficit	-	(640,000)	-	(640,000)
Net assets/(liabilities)	<u>1,192,977</u>	<u>(483,123)</u>	<u>12,698,913</u>	<u>13,408,767</u>

The above net assets include £1,452,467 that was transferred as cash.

Since the period end, Moredon Primary School converted to academy trust, on 3 October 2013.

**26. CAPITAL COMMITMENTS**

At 31 August 2013 the Academy had capital commitments as follows:

	2013 £
Contracted for but not provided in these financial statements	<u>59,981</u>

## **27. PENSION COMMITMENTS**

The Academy'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 2004 and of the LGPS 31 March 2010.

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

### **Teachers' Pension Scheme**

#### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of

**27. PENSION COMMITMENTS (continued)**

earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**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 period ended 31 August 2013 was £495,000, of which employer's contributions totalled £389,000 and employees' contributions totalled £106,000. The agreed contribution rates for future years are 21.8% for employers and 5.5-7.5% 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.

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

As described in note 25 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2013 £
Present value of funded obligations	(2,478,000)
Fair value of scheme assets	1,735,000
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Net liability	(743,000)
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The amounts recognised in the Statement of financial activities are as follows:

	2013 £
Current service cost	(365,000)
Interest on obligation	(100,000)
Expected return on scheme assets	74,000
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Total	(391,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2013 £
Current service cost	365,000
Interest cost	100,000
Contributions by scheme participants	106,000
Actuarial Losses	180,000
Benefits paid	50,000
Liability transferred on conversion	1,677,000
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Closing defined benefit obligation	2,478,000
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**27. PENSION COMMITMENTS (continued)**

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

	<b>2013</b>
	<b>£</b>
Expected return on assets	74,000
Actuarial gains and (losses)	79,000
Contributions by employer	389,000
Contributions by employees	106,000
Benefits paid	50,000
Asset transferred on conversion	1,037,000
	<u>1,735,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £101,000.

The Academy expects to contribute £361,000 to its Defined benefit pension scheme in 2014.

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

	<b>2013</b>
Equities	72.00 %
Bonds	15.00 %
Property	10.00 %
Cash	3.00 %

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

	<b>2013</b>
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.90 %
Rate of increase in salaries	5.10 %
Rate of increase for pensions in payment / inflation	2.80 %

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

	<b>2013</b>
Retiring today	
Males	21.3 years
Females	23.6 years
Retiring in 20 years	
Males	23.3 years
Females	25.5 years

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. PENSION COMMITMENTS (continued)**

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(2,478,000)
Scheme assets	1,735,000
	<u>(743,000)</u>
Experience adjustments on scheme liabilities	(180,000)
Experience adjustments on scheme assets	79,000
	<u><u>(180,000)</u></u>

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	Other 2013 £
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	-	38,524
	<u><u>-</u></u>	<u><u>38,524</u></u>

**29. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the board of Trustees being drawn from local public and private sector 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 Academy's financial regulations and normal procurement procedures.

During the period purchases totalling £6,995 were made from DA Cooke Wholesale & Vending Limited, a company which I Cooke is sole director and 50% shareholder. The outstanding balance at the period end was £nil. As with other transactions, this arrangement was conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no other significant transactions during the period.

**30. CONTROLLING PARTY**

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