

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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

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**THE WHITE HORSE FEDERATION  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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<b>Members</b>	H Brown (resigned 9 March 2014) N Capstick L Connor I Cooke C Humphreys (resigned 30 September 2013) C Marsh (resigned 16 July 2014) S Marston
<b>Trustees</b>	N Capstick, Chief Executive Officer <sup>1</sup> J Jarvis, Chair from 3 March 2014 <sup>2</sup> I Cooke, Chair until 3 March 2014 (resigned 3 March 2014) <sup>1</sup> R Beaton (resigned 30 September 2013) D Bond (resigned 30 September 2013) H Brown <sup>1</sup> S Colledge (appointed 15 January 2014, resigned 1 September 2014) M Collins (appointed 1 September 2014) L Connor S Cowley (appointed 15 January 2014, resigned 1 September 2014) S Hagan, Chair of Finance Committee <sup>1</sup> C Hopton (appointed 15 January 2014) <sup>2</sup> C Humphreys (resigned 30 September 2013) P Lender-Swain (resigned 30 September 2013) B Owen (resigned 30 September 2013, re-appointed 1 September 2014) K Poole (resigned 30 September 2013) J Powles (resigned 30 September 2013) L Saunders J Tridgell (appointed 15 January 2014, resigned 14 July 2014) J Warhurst (resigned 11 September 2013) M Wolton (appointed 15 January 2014)
	<sup>1</sup> Finance Committee <sup>2</sup> Audit and Risk Committee
<b>Company registered number</b>	08075785
<b>Principal and registered office</b>	The White Horse Federation Plymouth Street Swindon Wiltshire SN1 2LB
<b>Company secretary</b>	L Haydon
<b>Accounting Officer</b>	N Capstick
<b>Senior leadership team</b>	N Capstick, Chief Executive Officer L Connor, Executive Managing Director S Cowley, Primary Director S Colledge, Secondary Director H Brown, Executive Business Director

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE FEDERATION, ITS TRUSTEES AND ADVISERS  
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**Administrative details (continued)**

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

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

**Solicitors**                    Harrison Clark Rickerbys Ltd  
Ellenborough House  
Wellington Street  
Cheltenham  
United Kingdom  
GL50 1YD

**THE WHITE HORSE FEDERATION  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Federation operates 8 primary Academies in Swindon and Tidworth. The Federation's Academies have a combined pupil capacity of 2,480 and had a roll of 2,180 in the school census in May 2014.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

Not all of the Members of The White Horse Federation are the trustees of the Charitable Company for the purposes of company law. The Charitable Company is known as The White Horse Federation. N Capstick (Chief Executive Officer) and L Connor (Executive Managing Director) as well as being members, are also ex officio trustees.

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

**Members' liability**

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

**Trustees' Indemnities**

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

**TRUSTEES**

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

The Federation 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 Chief Executive Officer and Executive Managing Director);
- Academy Trustees and Special Academy Directors appointed under Article 51 or Article 52;
- the Chief Executive Officer and the Executive Managing Director;
- 7 or more Parent Trustees appointed under and subject to Articles 53-56;
- any additional Trustees, if appointed under Article 61, 61 A, 61C or 67A;
- any further Trustees, if appointed under Article 62 or Article 67A;
- 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;
- the Company may also have up to 3 Co-opted Directors appointed under Article 58.

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

The Federation has a Trustees Induction and Training procedure available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other necessary documents that they will need to undertake their role as Trustees. Trustees are able to access these documents via the Trustees website. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. New Trustees meet with the Managing Trustees and the Chair of Trustees to discuss the strategic direction of the organisation and to go through roles and responsibilities as detailed in the WHF handbook. The professional behaviours of Trustees are also discussed and Our Little Green Book is shared.

**Organisational Structure**

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

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

There are the following Portfolios of Responsibility:

- Finance
- Audit and Risk
- Safeguarding
- Premises and Health & Safety
- Human Resources/Staffing/Pay Panel
- Business Development
- Teaching & Learning
- Community & Reputation

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

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

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

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

At the 31 August 2014 the Federation comprised of seven primary schools and one Special School – The Croft Primary School, Drove Primary School, Rodbourne Cheney Primary School, Tregoze Primary School, Mountford Manor Primary School, Moredon Primary School, Zouch Primary School and Nyland Special School.

The two new schools taken on during the year were Moredon Primary School that joined on 1 October 2013 and Zouch Primary School that joined on 1 April 2014.

Since the year end The Ridgeway Secondary and Sixth Form College and Haydon Wick Primary School have joined the Federation.

The CEO, Dr Nick Capstick is the Accounting Officer.

**Connected Organisations, including Related Party Relationships**

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

It is anticipated that Swindon School Centred Initial Teacher Training (SCITT) will migrate to the Federation during the next accounting period.

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

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

The aims of the Federation are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop pupils as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Federation sites so that they enable pupils to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Federation by keeping the curriculum and organisational structure under continual review.
- to maximise the number of pupils who achieve.
- to provide value for money for the funds expended.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

**Public Benefit**

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

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

**STRATEGIC REPORT**

**Achievements and Performance**

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

- Mountford Manor Primary School was graded good at OFSTED inspection.
- The Croft Primary School was graded outstanding at OFSTED inspection, after just 18 months of opening.
- Senior leadership capacity has been developed at both Tregoze and Zouch Primary School.
- An accountability framework has been developed for Trustees.
- Staff have been trained on the new national curriculum and Special Educational Needs and Disability (SEND) procedures.
- We have ensured greater transparency of budgets to Principals.
- A significant amount of work has been committed to successfully growing the Federation to include other phases of education and into new geographical locations.
- We have developed, issued and evaluated an annual employee engagement survey; and, have developed a set of professional behaviours across the Federation.
- The Federation sensitively managed the handover of Moredon and Drove Children's Centres to 4Children.

Many volunteers, experts and external Agencies have been helping in the Federation Schools this year. Their commitment to the children and Federation is inspirational. They have helped with reading, writing, maths, drama and trips out of school.

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

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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L Connor has been appointed as the Vice Chair of the Primary Heads Reference Group at the DfE, been appointed to The Arts Council Rapid Review of Arts Mark and as part of the working group at the DfE looking at adolescent mental health.

This year, the Federation have been involved in supporting a number of key National College for Teaching and Leadership (NCTL) programmes.

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

- £101k - Replacement of Roofing at Drove Primary School
- £91k - Extension of Drove Primary School kitchen
- £40k - Development of Nyland Special School kitchen
- £117k - Extension of Rodbourne Cheney Primary School kitchen
- £9k - Development of Tregoze Primary School playground
- £61k - Development of Mountford Manor Primary School kitchen

The Federation have been shortlisted for the Education Investor Awards – School Operator Academy Chain Category. The ceremony will take place November 2014.

The KS2 data for our schools are detailed below:

	<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	97%	97%	97%	97%	100%	100%
Moredon Primary & Nursery School	96%	95%	98%	100%	100%	100%
Drove Primary School	88%	93%	89%	89%	100%	95%
Mountford Manor Primary School	93%	86%	86%	100%	100%	96%
Tregoze Primary School	88%	88%	88%	88%	88%	88%
Zouch Primary School	85%	65%	70%	95%	80%	65%
Nyland Campus	54%	27%	63%	52%	52%	63%

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £807,896 was carried forward representing 10.72% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014 were 2,180, an increase of 810 over 2013, of which 703 relate to pupils at schools that joined the Federation during the financial year. It is anticipated that this number will continue to rise, both through individual school growth and more schools joining the Federation.

**Going Concern**

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Federation's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2014, total expenditure (excluding restricted fixed asset funds) of £10,765,333 was covered by recurrent grant funding from the DfE, together with other incoming resources (excluding restricted fixed asset funds) of £11,522,299. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £561,527.

At 31 August 2014 the net book value of fixed assets was £14,064,527 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Federation.

Land, buildings and other assets were transferred to the Federation upon conversion of new Academies during the year. Land and buildings within these transfers on conversion were valued at £1,898,060. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

During the year, the balances of the former schools' budget shares (£297,759) that joined the Federation were transferred across on conversion and are shown as Unrestricted Funds.

The Federation has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Procedures Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, 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.

**Reserves Policy**

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

The Trustees have determined that the appropriate level of free cash reserves should be approximately £897,000, representing one month's charitable activities resources expended (excluding depreciation and gains or losses on disposals). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Federation's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,850,279.

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.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trustees have reviewed the future plans of the Federation and have set designated reserves as follows:

- £333,000 to support identified posts for capacity building and growth of the Central Services and SIP team, so not to detriment schools at a transition period.
- Significant funds will be earmarked to fund the recruitment and reorganisation of the Central Services function, including identifying and appointing additional posts at a Trustee level.

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

**Investment Policy**

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

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

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

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

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Federation's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. The Federation intends to engage a Business Analyst to review organisational fitness and to appoint a Financial Director within the year.

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

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

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

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

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

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

**PLANS FOR FUTURE PERIODS**

The Federation will continue to strive to provide outstanding education 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 pupils in the wider community.

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

The Federation is keen to broaden the age range we support to 2 to 19 years and the first of our Secondary schools, The Ridgeway Secondary and Sixth Form College, joined on 1 October 2014 and will be fully integrated by August 2015.

Haydon Wick Primary School joined the Federation on 1 September 2014.

We are also keen to expand to 4 regional hubs as geographical neighbours.

We anticipate that further schools will join the Federation during the next financial year.

The Contract that the Federation won to open a new Eco School in Bicester has been delayed until 2016. This is due to houses not yet being built.

It is anticipated that Swindon SCITT will migrate to the Federation during the next accounting period.

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

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

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

**For Disabled Employees**

The White Horse Federation is an Equal Opportunities Employer, 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.

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**TRUSTEES' REPORT (continued)  
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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.

**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

**AUDITORS**

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 1 December 2014 and signed on the board's behalf by:

**J Jarvis  
Chair of Trustees**

**THE WHITE HORSE FEDERATION  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The White Horse Federation and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Capstick, Chief Executive Officer	4	5
J Jarvis, Chair from 3 March 2014	3	5
I Cooke, Chair until 3 March 2014	1	2
R Beaton	0	1
D Bond	0	1
H Brown	5	5
S Colledge	3	3
M Collins	0	0
L Connor	5	5
S Cowley	3	3
S Hagan, Chair of Finance Committee	5	5
C Hopton	3	3
C Humphreys	1	1
P Lender-Swain	1	1
B Owen	1	1
K Poole	1	1
J Powles	0	1
L Saunders	1	5
J Tridgell	3	3
J Warhurst	0	0
M Wolton	3	3

Governance reviews:

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

A Governance handbook has been developed and implemented.

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

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

The Finance Committee is a sub-committee of the main Trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 5 times during the year.

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

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Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Hagan	5	5
N Capstick	2	3
H Brown	5	5
I Cooke	2	3

Christopher Hopton was appointed to the Portfolio of Responsibility for Audit and Risk as chair; J Jarvis has also joined as a member. This portfolio carries the following purpose:

The Audit and Risk Committee is a sub-committee of the main Trustees. The purpose of the Audit and Risk Committee is to oversee the audit process both at year end and throughout the year. The Audit and Risk Committee was set up during the year and no formal meetings were held during the year; the first formal meeting was held in November 2014.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Federation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The White Horse Federation for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Federation's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Financial Services 4 Schools Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. On a semi-annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the board of trustees on 1 December 2014 and signed on its behalf, by:

**J Jarvis  
Chair of Trustees**

**N Capstick  
Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**N Capstick  
Accounting Officer**

Date: 1 December 2014

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

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:

**J Jarvis**  
Chair of Trustees

Date: 1 December 2014

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

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

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We have audited the financial statements of The White Horse Federation for the year ended 31 August 2014 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 to 2014 issued by the Education Funding Agency.

This report is made solely to the Federation's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**UNQUALIFIED OPINION**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Federation's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

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

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

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

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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 Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

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

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

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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 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The White Horse Federation during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The White Horse Federation and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The White Horse Federation and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The White Horse Federation and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The White Horse Federation's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 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 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	14 month period ended 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Transfer on conversion	3	260,669	(265,209)	2,044,723	2,040,183	13,408,767
Other voluntary income	3	113,544	95,628	-	209,172	118,449
Activities for generating funds	4	44,489	-	-	44,489	42,618
Investment income	5	11,786	-	-	11,786	2,554
Incoming resources from charitable activities		688,523	10,572,869	130,643	11,392,035	10,206,076
<b>TOTAL INCOMING RESOURCES</b>		<b>1,119,011</b>	<b>10,403,288</b>	<b>2,175,366</b>	<b>13,697,665</b>	<b>23,778,464</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	7	686,113	10,025,819	865,224	11,577,156	9,597,027
Governance costs	11	-	53,401	-	53,401	23,190
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>686,113</b>	<b>10,079,220</b>	<b>865,224</b>	<b>11,630,557</b>	<b>9,620,217</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>432,898</b>	<b>324,068</b>	<b>1,310,142</b>	<b>2,067,108</b>	<b>14,158,247</b>
Transfers between Funds	20	-	(195,439)	195,439	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>432,898</b>	<b>128,629</b>	<b>1,505,581</b>	<b>2,067,108</b>	<b>14,158,247</b>
Actuarial gains and losses on defined benefit pension schemes		-	(716,000)	-	(716,000)	(101,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>432,898</b>	<b>(587,371)</b>	<b>1,505,581</b>	<b>1,351,108</b>	<b>14,057,247</b>
Total funds at 1 September		1,417,381	80,919	12,558,947	14,057,247	-
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>1,850,279</b>	<b>(506,452)</b>	<b>14,064,528</b>	<b>15,408,355</b>	<b>14,057,247</b>

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

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

The notes on pages 24 to 50 form part of these financial statements.

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

**BALANCE SHEET  
AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	17		<b>14,064,527</b>		12,558,947
<b>CURRENT ASSETS</b>					
Debtors	18	<b>1,036,848</b>		255,190	
Cash at bank and in hand		<b>3,569,710</b>		2,491,439	
		<b>4,606,558</b>		2,746,629	
<b>CREDITORS:</b> amounts falling due within one year	19	<b>(1,441,730)</b>		(505,329)	
<b>NET CURRENT ASSETS</b>			<b>3,164,828</b>		2,241,300
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>17,229,355</b>		14,800,247
Defined benefit pension scheme liability	28		<b>(1,821,000)</b>		(743,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>15,408,355</b>		14,057,247
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	20	<b>1,314,549</b>		823,919	
Fixed asset funds	20	<b>14,064,527</b>		12,558,947	
Restricted funds excluding pension liability		<b>15,379,076</b>		13,382,866	
Pension reserve		<b>(1,821,000)</b>		(743,000)	
Total restricted funds			<b>13,558,076</b>		12,639,866
Unrestricted funds	20		<b>1,850,279</b>		1,417,381
<b>TOTAL FUNDS</b>			<b>15,408,355</b>		14,057,247

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2014 and are signed on their behalf, by:

**J Jarvis  
Chair of Trustees**

The notes on pages 24 to 50 form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>Note</b>	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Net cash flow from operating activities	22	<b>889,210</b>	1,208,516
Returns on investments and servicing of finance	23	<b>11,786</b>	2,554
Capital expenditure and financial investment	23	<b>(153,185)</b>	(170,363)
Cash transferred on conversion to an academy trust		<b>330,460</b>	1,450,732
<b>INCREASE IN CASH IN THE YEAR</b>		<b>1,078,271</b>	2,491,439

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2014**

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Increase in cash in the year	<b>1,078,271</b>	2,491,439
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>1,078,271</b>	2,491,439
Net funds at 1 September 2013	<b>2,491,439</b>	-
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>3,569,710</b>	2,491,439

The notes on pages 24 to 50 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 GOING CONCERN**

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

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

**1.3 FUND ACCOUNTING**

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

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

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

**1.4 INCOMING RESOURCES**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 RESOURCES EXPENDED**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

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

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

**1.7 TAXATION**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Federation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Federation is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**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 Moredon Primary School and Zouch Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The White Horse Federation. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings on conversion of new Academies to the Federation have been included in the accounts at an estimation of their value at the date of conversion. In determining these values the Trustees have referred to the valuations of land and buildings provided by the EFA for other local schools as at 31 March 2014, which were performed using the Depreciated Replacement Cost method.

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

Further details of the transaction are set out in note 26.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.10 PFI AGREEMENT**

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

**2. DISCONTINUED OPERATIONS**

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

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Incoming resources	<b>160,150</b>	391,835
Resources expended	<b>(232,429)</b>	(400,760)
Loss on disposal of buildings	<b>(346,950)</b>	-
	<b><u>(419,229)</u></b>	<u>(8,925)</u>

**3. VOLUNTARY INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	14 month period ended 2013 £
Transfer on conversion	<b>260,669</b>	<b>1,779,514</b>	<b>2,040,183</b>	13,408,767
Donations	<b>113,544</b>	<b>95,628</b>	<b>209,172</b>	118,449
	<b><u>374,213</u></b>	<b><u>1,875,142</u></b>	<b><u>2,249,355</u></b>	<u>13,527,216</u>

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**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	14 month period ended 2013 £
Lettings	41,984	-	41,984	38,467
External Catering	2,505	-	2,505	4,001
Consultancy	-	-	-	150
	<u>44,489</u>	<u>-</u>	<u>44,489</u>	<u>42,618</u>

**5. INVESTMENT INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	14 month period ended 2013 £
Bank interest	11,786	-	11,786	2,554
	<u>11,786</u>	<u>-</u>	<u>11,786</u>	<u>2,554</u>

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**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 month period ended 2013 £
Education	128,826	10,468,954	10,597,780	8,827,126
Children's centre	-	160,150	160,150	391,835
Nursery	418,691	-	418,691	307,081
Support for other schools	141,006	74,408	215,414	680,034
	<u>688,523</u>	<u>10,703,512</u>	<u>11,392,035</u>	<u>10,206,076</u>

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 month period ended 2013 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	7,539,490	7,539,490	6,747,972
Capital Grants	-	809,657	809,657	425,092
Start up Grants	-	50,000	50,000	175,000
Other DfE/EFA grants	-	802,252	802,252	288,304
	<u>-</u>	<u>9,201,399</u>	<u>9,201,399</u>	<u>7,636,368</u>
<b>Other government grants</b>				
High needs	-	629,976	629,976	309,675
Other government revenue grants	-	557,185	557,185	727,903
Other government capital grants	-	70,394	70,394	-
	<u>-</u>	<u>1,257,555</u>	<u>1,257,555</u>	<u>1,037,578</u>
<b>Other funding</b>				
Internal catering income	107,885	-	107,885	81,321
Sales to students	3,189	-	3,189	6,413
Other	17,752	10,000	27,752	65,446
	<u>128,826</u>	<u>10,000</u>	<u>138,826</u>	<u>153,180</u>
	<u>128,826</u>	<u>10,468,954</u>	<u>10,597,780</u>	<u>8,827,126</u>

**THE WHITE HORSE FEDERATION  
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**7. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total	14 month period ended
	2014	Premises 2014	Other 2014	2014	2013
	£	£	£	£	£
Direct costs - Education	5,877,130	204,827	929,115	7,011,072	5,988,607
Direct costs - Children's Centre	136,800	4,768	355,598	497,166	255,089
Direct costs - Nursery	398,494	13,888	28,881	441,263	306,460
Direct costs - Support for other schools	108,830	3,792	130,344	242,966	172,179
Support costs - Education	1,264,549	854,810	1,126,065	3,245,424	2,484,648
Support costs - Children's Centre	21,904	9,063	51,296	82,263	145,671
Support costs - Nursery	-	3,803	1,885	5,688	870
Support costs - Support for other schools	7,553	4,332	39,429	51,314	243,503
<b>CHARITABLE ACTIVITIES</b>	<b>7,815,260</b>	<b>1,099,283</b>	<b>2,662,613</b>	<b>11,577,156</b>	<b>9,597,027</b>
<b>GOVERNANCE</b>	<b>29,485</b>	<b>-</b>	<b>23,916</b>	<b>53,401</b>	<b>23,190</b>
	<b>7,844,745</b>	<b>1,099,283</b>	<b>2,686,529</b>	<b>11,630,557</b>	<b>9,620,217</b>

**8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2014	Support costs 2014	Total 2014	14 month period ended 2013
	£	£	£	£
Education	7,011,072	3,245,424	10,256,496	8,473,255
Children's centre	497,166	82,263	579,429	400,760
Nursery	441,263	5,688	446,951	307,330
Support for other schools	242,966	51,314	294,280	415,682
	<b>8,192,467</b>	<b>3,384,689</b>	<b>11,577,156</b>	<b>9,597,027</b>

**THE WHITE HORSE FEDERATION  
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**9. DIRECT COSTS**

	<b>Education £</b>	<b>Children centre's £</b>	<b>Nursery £</b>	<b>Support for other schools £</b>	<b>Total 2014 £</b>	14 month period ended 2013 £
Pension finance costs	7,079	602	1,019	-	8,700	16,120
Educational supplies	297,330	2,833	12,225	79,566	391,954	261,997
Staff development	57,299	505	-	46,539	104,343	113,054
Other costs	231,735	404	3,099	814	236,052	178,985
Supply teachers	186,964	-	-	-	186,964	99,638
Technology costs	17,377	-	-	-	17,377	12,991
Disposal of fixed assets	-	346,950	-	-	346,950	-
PFI Charges	133,375	-	-	-	133,375	-
Wages and salaries	4,694,761	110,672	333,979	98,036	5,237,448	4,739,350
National insurance	318,503	6,116	16,442	4,211	345,272	316,543
Pension cost	676,902	20,012	48,073	6,583	751,570	646,649
Depreciation	389,747	9,072	26,426	7,217	432,462	283,087
	<u>7,011,072</u>	<u>497,166</u>	<u>441,263</u>	<u>242,966</u>	<u>8,192,467</u>	<u>6,668,414</u>

**THE WHITE HORSE FEDERATION  
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**10. SUPPORT COSTS**

	Education £	Children's centre £	Nursery £	Support for other schools £	Total 2014 £	14 month period ended 2013 £
Pension finance costs	6,193	77	-	30	6,300	9,880
Other costs	43,979	-	-	1,003	44,982	5,705
Recruitment and other staff costs	137,130	2,415	14	3,347	142,906	58,320
Maintenance of premises and equipment	687,788	42,261	-	-	730,049	689,978
Cleaning	43,626	5,549	14	3	49,192	56,362
Rent and rates	42,737	150	-	-	42,887	19,271
Heat and light	130,353	1,241	3,788	4,065	139,447	161,833
Insurance	81,616	294	-	-	81,910	73,541
Catering	152,813	842	1,867	2,867	158,389	106,668
Technology costs	110,413	-	-	-	110,413	67,336
Office overheads	59,629	3,735	5	276	63,645	49,177
Legal and professional	400,097	2,342	-	31,669	434,108	496,162
Bank interest and charges	642	-	-	-	642	342
Wages and salaries	1,014,188	18,658	-	6,504	1,039,350	900,860
National insurance	44,778	693	-	62	45,533	40,659
Pension cost	205,583	2,553	-	987	209,123	138,598
Depreciation	83,859	1,453	-	501	85,813	53,921
	<b>3,245,424</b>	<b>82,263</b>	<b>5,688</b>	<b>51,314</b>	<b>3,384,689</b>	<b>2,928,613</b>

**11. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	14 month period ended 2013 £
Auditors' remuneration	-	19,000	19,000	14,075
Auditors' non audit costs	-	4,208	4,208	640
Legal and Professional	-	158	158	1,042
Other costs	-	550	550	-
Wages and salaries	-	27,810	27,810	6,304
National insurance	-	1,639	1,639	-
Pension costs	-	36	36	1,129
	<b>-</b>	<b>53,401</b>	<b>53,401</b>	<b>23,190</b>

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. NET INCOMING RESOURCES**

This is stated after charging:

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	<b>518,276</b>	337,008
Auditors' remuneration	<b>19,000</b>	14,075
Auditors' remuneration - non-audit	<b>4,208</b>	640
Operating lease rentals:		
- plant and machinery	<b>11,880</b>	38,524
Other item - user input	<b>133,374</b>	-
	<b>=====</b>	<b>=====</b>

**13. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Wages and salaries	<b>6,253,964</b>	5,646,513
Social security costs	<b>392,443</b>	357,201
Other pension costs (Note 28)	<b>960,729</b>	786,376
	<b>7,607,136</b>	6,790,090
Supply teacher costs	<b>186,964</b>	99,638
Staff restructuring costs	<b>50,645</b>	-
	<b>7,844,745</b>	6,889,728
	<b>=====</b>	<b>=====</b>

**b. Staff severance payments**

Included in staff restructuring costs is a non-statutory/non-contractual severance payment of £20,000 (2013: £NIL).

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**13. STAFF (continued)**

**c. Staff numbers**

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

	<b>31 August 2014 No.</b>	14 month period ended 31 August 2013 No.
Teachers	77	51
Educational support	104	77
Administration and other support	58	54
Management	19	13
	<u>258</u>	<u>195</u>

**d. Higher paid staff**

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

	<b>31 August 2014 No.</b>	14 month period ended 31 August 2013 No.
In the band £60,001 - £70,000	3	2
In the band £80,001 - £90,000	1	0
In the band £120,001 - £130,000	2	1
	<u>6</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period, for these staff members amounted to £57,573 (2013: £35,002).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. CENTRAL SERVICES**

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

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

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

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

**15. TRUSTEES' REMUNERATION AND EXPENSES**

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

The value of staff Trustee's remuneration and pension contributions in the year (2013:14 month period) fell into £5,000 bandings as follows: N Capstick £140,000 - £145,000 (2013: £160,000 - £165,000), H Brown £60,000 - £65,000 (2013: £70,000 - £75,000), L Connor (11 months) £130,000 - £135,000 (2013: £NIL), J Tridgell (4 months) £30,000 - £35,000 (2013: £NIL) and B Campkin £NIL, (2013: £45,000 - £50,000).

During the year retirement benefits were accruing to 4 Trustees (2013: 3) in respect of defined benefit pension schemes.

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Federation in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

During the year, no Trustees received any benefits in kind (2013: £NIL).

During the year ended 31 August 2014, expenses totalling £6,358 (2013: £NIL) were reimbursed to 1 Trustee (2013: 0).

**16. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Federation has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Federation business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,031 (2013: £1,031). The cost of this insurance is included in the total insurance cost.

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**17. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Long term leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2013	-	12,434,349	17,805	253,087	190,714	12,895,955
Additions	-	63,360	-	173,794	88,929	326,083
Transfer on conversion	1,898,060	-	49,305	11,335	86,023	2,044,723
Disposals	-	(353,739)	-	-	-	(353,739)
At 31 August 2014	<u>1,898,060</u>	<u>12,143,970</u>	<u>67,110</u>	<u>438,216</u>	<u>365,666</u>	<u>14,913,022</u>
<b>DEPRECIATION</b>						
At 1 September 2013	-	219,258	3,561	50,618	63,571	337,008
Charge for the year	35,618	236,757	13,422	89,028	143,451	518,276
On disposals	-	(6,789)	-	-	-	(6,789)
At 31 August 2014	<u>35,618</u>	<u>449,226</u>	<u>16,983</u>	<u>139,646</u>	<u>207,022</u>	<u>848,495</u>
<b>NET BOOK VALUE</b>						
At 31 August 2014	<u>1,862,442</u>	<u>11,694,744</u>	<u>50,127</u>	<u>298,570</u>	<u>158,644</u>	<u>14,064,527</u>
At 31 August 2013	<u>-</u>	<u>12,215,091</u>	<u>14,244</u>	<u>202,469</u>	<u>127,143</u>	<u>12,558,947</u>

Land and buildings on conversion of new Academies to the Federation have been included in the accounts at an estimation of their value at the date of conversion. In determining these values the Trustees have referred to the valuations of land and buildings provided by the EFA for other local schools as at 31 March 2014, which were performed using the Depreciated Replacement Cost method.

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

**18. DEBTORS**

	2014 £	2013 £
Trade debtors	9,071	24,971
Other debtors	164,652	28,275
Prepayments and accrued income	863,125	201,944
	<u>1,036,848</u>	<u>255,190</u>

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

	<b>2014</b>	2013
	£	£
Trade creditors	<b>471,946</b>	93,667
Other taxation and social security	<b>130,977</b>	95,431
Other creditors	<b>134,489</b>	97,976
Accruals and deferred income	<b>704,318</b>	218,255
	<u><b>1,441,730</b></u>	<u>505,329</u>

**DEFERRED INCOME**

Deferred income at 1 September 2013	<b>123,980</b>
Resources deferred during the year	<b>303,172</b>
Amounts released from previous years	<b>(123,980)</b>
	<u><b>303,172</b></u>
Deferred income at 31 August 2014	<u><b>303,172</b></u>

At the balance sheet date the Federation was holding EFA and Local Authority grants received in advance for the 2014/15 academic year.

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**20. 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	-	418,691	(418,691)	-	-	-
General funds	1,417,381	700,320	(267,422)	-	-	1,850,279
	<u>1,417,381</u>	<u>1,119,011</u>	<u>(686,113)</u>	<u>-</u>	<u>-</u>	<u>1,850,279</u>
<b>RESTRICTED FUNDS</b>						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant	275,300	7,539,490	(7,003,504)	(3,390)	-	807,896
High needs	-	629,976	(629,976)	-	-	-
Pupil premium	-	646,743	(646,743)	-	-	-
Start up grant School improvement grant	30,836	50,000	(63,981)	-	-	16,855
	-	45,000	(45,000)	-	-	-
Croft Academy set up funding	163,844	-	(10,465)	(27,199)	-	126,180
Primary Behaviour Support Service	-	225,598	(225,598)	-	-	-
Child and Adolescent Mental Health Services	-	96,320	(96,320)	-	-	-
Pupil referral unit	-	71,164	(71,164)	-	-	-
PE sports grant	-	73,635	(50,448)	-	-	23,187
Sure Start Grant	60,581	160,150	(220,731)	-	-	-
Zouch repair grant	-	330,712	(330,712)	-	-	-
Teaching School funding	241,003	74,408	(175,982)	-	-	139,429
Academies Capital Maintenance Fund	-	418,696	(160,314)	(122,196)	-	136,186
Trigger funding	-	87,934	(87,934)	-	-	-
Other restricted funds	52,355	288,463	(233,348)	(42,654)	-	64,816
Pension reserve	(743,000)	(335,000)	(27,000)	-	(716,000)	(1,821,000)
	<u>80,919</u>	<u>10,403,289</u>	<u>(10,079,220)</u>	<u>(195,439)</u>	<u>(716,000)</u>	<u>(506,451)</u>

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

**RESTRICTED FIXED ASSET FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	12,395,558	2,044,722	(848,165)	-	-	13,592,115
Fixed assets purchased from GAG and other restricted funds	130,030	-	(11,344)	195,439	-	314,125
DfE/EFA capital grants	33,359	60,249	(3,262)	-	-	90,346
Other capital grants	-	70,394	(2,453)	-	-	67,941
	<u>12,558,947</u>	<u>2,175,365</u>	<u>(865,224)</u>	<u>195,439</u>	<u>-</u>	<u>14,064,527</u>
Total restricted funds	<u>12,639,866</u>	<u>12,578,654</u>	<u>(10,944,444)</u>	<u>-</u>	<u>(716,000)</u>	<u>13,558,076</u>
Total of funds	<u><u>14,057,247</u></u>	<u><u>13,697,665</u></u>	<u><u>(11,630,557)</u></u>	<u><u>-</u></u>	<u><u>(716,000)</u></u>	<u><u>15,408,355</u></u>

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

**RESTRICTED FUNDS**

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

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

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

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

School improvement grant represents funding received from the EFA to be spent on providing support to a sponsored school.

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

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

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

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

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

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

Sure Start Grant is received from Swindon Borough Council for the Children's Centres. As disclosed in Note 2 from 1 April 2014 the provision of all Children's Centres in the Swindon area was placed under the control of a single alternative provider. The Children's Centre activity has therefore been treated as a discontinued operation from this date.

Zouch Repair Grant is funding received from Wiltshire County Council to target identified urgent Health & Safety legislation and compliance.

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

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

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Borough Council on conversion to an academy.

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

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.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Federation was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2014 were allocated as follows:

	Total £
The Croft Primary Academy	218,762
Drove Primary School	317,626
Moredon Primary School	207,748
Mountford Manor Primary School	117,229
Nyland Special School	40,950
Rodbourne Cheney Primary School	103,578
Tregoze Primary School	83,806
Zouch Primary School	74,335
Central Services	2,000,794
	<hr/>
Total before fixed asset fund and pension reserve	3,164,828
Restricted fixed asset fund	14,064,527
Pension reserve	(1,821,000)
	<hr/>
Total	<u>15,408,355</u>

**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	274,606	79,250	20,072	85,445	459,373
Drove Primary School	1,755,871	356,548	73,564	479,317	2,665,300
Moredon Primary School	1,073,521	239,587	64,097	393,235	1,770,440
Mountford Manor Primary School	831,054	181,565	35,232	237,736	1,285,587
Nyland Special School	733,336	79,021	36,276	182,840	1,031,473
Rodbourne Cheney Primary School	650,938	154,743	41,149	282,611	1,129,441
Tregoze Primary School	642,711	121,102	27,564	161,624	953,001
Zouch Primary School	435,663	88,875	14,435	451,972	990,945
Central Services	123,554	22,800	79,565	253,854	479,773
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>6,521,254</u>	<u>1,323,491</u>	<u>391,954</u>	<u>2,528,634</u>	<u>10,765,333</u>

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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	14 month period ended 2013 £
Tangible fixed assets	-	-	14,064,527	14,064,527	12,558,947
Current assets	1,850,279	2,756,280	-	4,606,559	2,746,628
Creditors due within one year	-	(1,441,731)	-	(1,441,731)	(505,328)
Pension scheme liability	-	(1,821,000)	-	(1,821,000)	(743,000)
	<u>1,850,279</u>	<u>(506,451)</u>	<u>14,064,527</u>	<u>15,408,355</u>	<u>14,057,247</u>

**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	31 August 2014 £	14 month period ended 31 August 2013 £
Net incoming resources before revaluations	2,067,108	14,158,247
Returns on investments and servicing of finance	(11,786)	(2,554)
Net assets transferred on conversion	(2,040,183)	(13,469,312)
Depreciation of tangible fixed assets	518,276	337,008
Deficit on disposal of tangible fixed assets	346,950	-
Capital grants from DfE	(172,898)	(67,012)
Increase in debtors	(781,658)	(255,190)
Increase in creditors	936,401	505,329
Defined benefit pension scheme adjustments	27,000	2,000
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>889,210</u>	<u>1,208,516</u>

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	31 August 2014 £	14 month period ended 31 August 2013 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	<u>11,786</u>	<u>2,554</u>

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**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(326,083)	(237,375)
Capital grants from DfE	172,898	67,012
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u><u>(153,185)</u></u>	<u><u>(170,363)</u></u>

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>1 September 2013 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>31 August 2014 £</b>
Cash at bank and in hand:	2,491,439	1,078,271	-	3,569,710
<b>NET FUNDS</b>	<u><u>2,491,439</u></u>	<u><u>1,078,271</u></u>	<u><u>-</u></u>	<u><u>3,569,710</u></u>

**25. 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.

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**26. CONVERSION TO AN ACADEMY TRUST**

On 1 October 2013 and 1 April 2014 respectively, Moredon Primary School and Zouch Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The White Horse Federation from Swindon Borough Council and Wiltshire County Council for £NIL consideration.

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

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

<b>Moredon Primary School</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	-	-
- Other tangible assets	-	-	125,280	125,280
Budget surplus on LA funds	199,160	63,239	-	262,399
Budget surplus on other school funds	14,845	-	-	14,845
LGPS pension deficit	-	(187,808)	-	(187,808)
Net asset/(liabilities)	<b>214,005</b>	<b>(124,569)</b>	<b>125,280</b>	<b>214,716</b>

<b>Zouch Primary School</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,898,060	1,898,060
- Other tangible assets	-	-	21,383	21,383
Budget surplus on LA funds	28,808	6,551	-	35,359
Budget surplus on other school funds	17,857	-	-	17,857
LGPS pension deficit	-	(147,192)	-	(147,192)
Net asset/(liabilities)	<b>46,665</b>	<b>(140,639)</b>	<b>1,909,443</b>	<b>1,825,467</b>

The above net assets include £330,460 that was transferred as cash.

Since the period end, Haydon Wick Primary School converted to an Academy on 1 September 2014 and The Ridgeway Secondary and Sixth Form College joined on 1 October 2014.

**THE WHITE HORSE FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. CAPITAL COMMITMENTS**

At 31 August 2014 the Federation had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>205,471</u>	<u>59,981</u>

**28. PENSION COMMITMENTS**

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

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

Contributions amounting to £54,789 were payable to the scheme at 31 August 2014 (2013: £40,184) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

The Teachers' Pensions Regulations require an annual 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**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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**28. PENSION COMMITMENTS (continued)**

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

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Federation is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Federation 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 Federation has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £577,000, of which employer's contributions totalled £454,000 and employees' contributions totalled £123,000. The agreed contribution rates for future years are 22.3% for employers and 5.5-12.5% for employees.

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

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

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

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £</b>
Equities	<b>6.30</b>	<b>2,270,000</b>	6.60	1,250,000
Bonds	<b>3.40</b>	<b>544,000</b>	4.10	260,000
Property	<b>4.50</b>	<b>320,000</b>	4.70	173,000
Cash	<b>3.30</b>	<b>64,000</b>	3.60	52,000
Total market value of assets		<u><b>3,198,000</b></u>		<u>1,735,000</u>
Present value of scheme liabilities		<u><b>(5,019,000)</b></u>		<u>(2,478,000)</u>
(Deficit)/surplus in the scheme		<u><u><b>(1,821,000)</b></u></u>		<u><u>(743,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>31 August 2014 £</b>	<b>14 month period ended 31 August 2013 £</b>
Present value of funded obligations	<b>(5,019,000)</b>	(2,478,000)
Fair value of scheme assets	<u><b>3,198,000</b></u>	<u>1,735,000</u>
Net liability	<u><u><b>(1,821,000)</b></u></u>	<u><u>(743,000)</u></u>

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

	<b>31 August 2014 £</b>	<b>14 month period ended 31 August 2013 £</b>
Current service cost	<b>(466,000)</b>	(365,000)
Interest on obligation	<b>(157,000)</b>	(100,000)
Expected return on scheme assets	<u><b>142,000</b></u>	<u>74,000</u>
Total	<u><u><b>(481,000)</b></u></u>	<u><u>(391,000)</u></u>

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**28. PENSION COMMITMENTS (continued)**

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

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Opening defined benefit obligation	<b>2,478,000</b>	-
Current service cost	<b>466,000</b>	365,000
Interest cost	<b>157,000</b>	100,000
Contributions by scheme participants	<b>123,000</b>	106,000
Actuarial Losses	<b>936,000</b>	180,000
Benefits paid	<b>(11,000)</b>	50,000
Liability transferred on conversion	<b>870,000</b>	1,677,000
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Closing defined benefit obligation	<b>5,019,000</b>	2,478,000
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Movements in the fair value of the Federation's share of scheme assets:

	<b>31 August 2014 £</b>	14 month period ended 31 August 2013 £
Opening fair value of scheme assets	<b>1,735,000</b>	-
Expected return on assets	<b>142,000</b>	74,000
Actuarial gains	<b>220,000</b>	79,000
Contributions by employer	<b>454,000</b>	389,000
Contributions by employees	<b>123,000</b>	106,000
Benefits paid	<b>(11,000)</b>	50,000
Asset transferred on conversion	<b>535,000</b>	1,037,000
	<hr/>	<hr/>
	<b>3,198,000</b>	1,735,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities was £817,000 (2013: £101,000).

The Federation expects to contribute £657,000 to its Defined benefit pension scheme in 2015.

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

	<b>2014</b>	2013
Equities	<b>71.00 %</b>	72.00 %
Bonds	<b>17.00 %</b>	15.00 %
Property	<b>10.00 %</b>	10.00 %
Cash	<b>2.00 %</b>	3.00 %

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**28. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>	2013
Discount rate for scheme liabilities	<b>3.70 %</b>	4.60 %
Expected return on scheme assets at 31 August	<b>5.60 %</b>	5.90 %
Rate of increase in salaries	<b>4.50 %</b>	5.10 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	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>2014</b>	2013
Retiring today		
Males	<b>22.3</b>	21.3 years
Females	<b>24.5</b>	23.6 years
Retiring in 20 years		
Males	<b>24.1</b>	23.3 years
Females	<b>26.9</b>	25.5 years

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2014</b>	2013
	£	£
Defined benefit obligation	<b>(5,019,000)</b>	(2,478,000)
Scheme assets	<b>3,198,000</b>	1,735,000
Deficit	<b>(1,821,000)</b>	(743,000)
Experience adjustments on scheme liabilities	<b>(936,000)</b>	(180,000)
Experience adjustments on scheme assets	<b>220,000</b>	79,000

**29. OPERATING LEASE COMMITMENTS**

At 31 August 2014 the Federation had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	£	£	£	£
<b>EXPIRY DATE:</b>				
Between 2 and 5 years	-	-	<b>44,145</b>	38,524
After more than 5 years	<b>218,188</b>	-	-	-

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

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**30. RELATED PARTY TRANSACTIONS**

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

During the period purchases totalling £1,495 (2013: £6,995) were made from DA Cooke Wholesale & Vending Limited, a company which I Cooke, a Trustee during the period, is sole director and 50% shareholder. The outstanding balance at the period end was £nil (2013: £nil). As with other transactions, this arrangement was conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures.

In entering into the transaction the Federation has complied with the requirements of the Education Funding Agency's Academies Financial Handbook.

There were no other significant transactions during the period.

**31. POST BALANCE SHEET EVENTS**

The Federation is keen to broaden the age range we support to 2 to 19 years and the first of our Secondary schools, The Ridgeway Secondary and Sixth Form College, joined on 1 October 2014 and will be fully integrated by August 2015.

Haydon Wick Primary School also joined the Federation on 1 September 2014.