

### WHITE HILL SCHOOLS TRUST

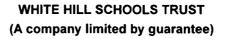
(A company limited by guarantee)

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018



27/02/2019 COMPANIES HOUSE

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

#### **Members**

L Gibbs

R Stretch

A Waddy

S Walton

K Wilson

### **Trustees**

A Garnett

A McNaney, Executive Headteacher and Accounting Officer

K Morris

A Ogden

M Park

F Sanger (resigned 14 October 2018)

S Walton, Chair of Trustees

### Company registered number

07697482

### Company name

White Hill Schools Trust

### Principal and registered office

White Hill, Chesham, Buckinghamshire, HP5 1BA

### Company secretary

P Griffiths (until 9 October 2018)

### Senior management team

A McNaney, Executive Headteacher

P Griffiths, Finance and Resources Director (until 9 October 2018)

### Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

### **Bankers**

Lloyds TSB, PO Box 1000, Andover, BX1 1LT

### **Solicitors**

Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary and 1 secondary academies in Chesham. Its academies have a combined a pupil capacity of 1720 and had a roll of 1635 in the school census on 4 October 2018.

### Structure, governance and management

### Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust. The Trustees of White Hill Schools Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as White Hill Schools Trust.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1

### Members' Liability

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

#### Trustees' Indemnities

Subject to the provisions of the Companies Act, every Trustee or other officer of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of Trust in relation to the affairs of the Trust.

### Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The Executive Headteacher
- o 5 Trustees appointed by the Members
- o Additional Trustees appointed by the Member-appointed Trustees
- o Any Trustees appointed by the Secretary of State for Education

The term of office for any Trustee is 4 years. The Executive Headteacher's term of office runs parallel with her term of appointment. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Trust.

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

#### **Organisational Structure**

White Hill Schools Trust has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the senior leadership team comprising the Executive Headteacher and the Finance and Resources Director.

The Trust has considered its role thoughtfully and decided that the role of the Trustees is to approve the strategic direction and objectives of the Trust and monitor its progress towards these objectives.

Trustees have approved a scheme of delegation which sets out a statement on the system of internal control and responsibilities. The Executive Headteacher is directly responsible for the day to day running of the Trust and is assisted by the Finance and Resources Director.

Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by use of budgets and making major decisions about the direction of the trust, including capital expenditure and senior staff appointments.

The Executive Headteacher assumes the accounting officer role.

### Arrangements for setting pay and remuneration of key management personnel

White Hill Schools Trust follows national pay awards for teaching personnel and local pay awards for all other staff. Additional pay increases are linked to performance management and the meeting of agreed targets. Pay awards for the MAT senior team are approved by Trustees as are increases to the pay of academy headteachers. When recruiting new MAT senior staff and academy headteachers Trustees benchmark salary ranges against similar posts.

### Related Parties and other Connected Charities and Organisations

As a member of White Hill Schools Trust Chesham Grammar Schools is part of the ASTRA Teaching Schools Alliance and has a strong working relationship with The Buckinghamshire Grammar Schools (TBGS). The relationship with TBGS is defined through the Executive Headteacher being a Director of the company.

### **Objectives and Activities**

### **Objects and Aims**

The principal object and activity of the Trust during the period was the operation of Ivingswood Academy, Chesham Grammar School and, from 1 May 2018, Waterside Primary Academy to provide a broad and balanced education for all pupils in the Trust's care. The Trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the Trust.

In accordance with the articles of association, the Trust has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

The Scheme of Government specifies, amongst other things, that the academies will be at the heart of their communities promoting community cohesion and sharing facilities; the basis for admitting students to the academies, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

### **Objectives, Strategies and Activities**

The Trust has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:



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

- To strengthen and consolidate Trust structures and processes to ensure fitness for purpose as the Trust grows.
- To develop and expand Trust capacity so that the Trust can develop as the community MAT of choice within the local area.
- o To rapidly improve the performance of sponsored academies within the Trust.
- o Achieve consistently high standards of teaching and learning.
- o Provide local leadership capacity and support.
- o Develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them.
- Provide support building upon individual learning and/or areas of strength between schools to improve key aspects of performance.
- o Achieve best value in service delivery especially where partnership working can add value.

#### The Trust's vision is:

- o To raise standards for all children, whatever phase or type of schools so that their outcomes and life chances are as good as they can be.
- o Develop responsible young people who are honest, trustworthy, tolerant, polite and compassionate as well as resilient, determined and able to work by themselves as well as with others.
- o To create a community of schools in which collaboration and joint working is the norm so that good practice is shared and all schools benefit from each other's strengths. This community of schools will allow staff to develop and flourish and will allow senior leaders to focus their time and energy on ensuring that what goes on in the classroom every day meets the needs of that school's children and is as good as it can be.
- o We recognise that each school in WHST has its own unique characteristics and exists in the context of, and to serve, its local community. In reflection of this, we ensure that each school plays its part by creating mutually beneficial relationships and partnerships with parents and the wider community.
- o We are determined to operate as efficiently as possible, seeking value for money and savings through economies of scale in all that we do. Our aim is to provide schools with access to high quality centralised services, standardising where appropriate, so that as much of each school's resources as possible can be directed towards and focused on teaching and learning.
- o The Trust will build its capacity through a target to operate up to 10 academies by 2021, recruited from a mix of sponsorships, new provision and conversions.
- The Trust secures value for money and consistent quality of support services through a combination of centrally procured and provided services. Where possible services are centrally secured with specific elements being charged back to individual academies. Such services include group leadership, HR, finance and administration. The Trust retains a percentage of each academy's monthly ESFA income in order to provide these services. The percentage retention for the period to 31st August 2018 was 5%.

The Trust's Aims are being reviewed and edited in the autumn term of 2018.

### **Public Benefit**

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As a Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities.
- o Providing community events such as the annual Senior Citizens' Christmas party at Chesham Grammar School.

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

### Strategic report

### Achievements and performance

### **Key Performance Indicators**

### **PRIMARY SCHOOLS:**

Ivingswood Academy joined the MAT 1/9/2015 and is a sponsored academy

Waterside Primary Academy joined the MAT 1/5/2018 and is also a sponsored academy

### Key Stage 2 2018 (year 6)

### Attainment:

% meeting age related expectations (ARE) in:	lvingswood	Waterside	National average
Reading	69%	74%	75%
Writing	77%	67%	78%
Mathemattics	69%	67%	76%
In all three	58%	63%	64%
Grammar/punctuation/spelling	77%	67%	78%

### Progress:

	lvingswood	Waterside	National average
Reading score	-0.3	0.6	0
Writing score	0	-1.7	0
Mathematics score	1.9	-0.4	0

### Key Stage 1 2018 (year 2)

### Attainment:

% meeting age related expectations (ARE) in:	lvingswood	Waterside	National average
Reading	69%	90%	75%
Writing	62%	73%	70%
Mathematics	65%	83%	76%

### Year 1 phonics:

% meeting expected standard	lvingswood	Waterside	National average
Reading	83%	73%	82%

### Early Years Foundation Stage:

% reaching greater level of development	lvingswood	Waterside	National average
	59%	83%	72%

### Secondary schools:

Chesham Grammar School is the only secondary school currently in the MAT. It is the founder school and is an Ofsted outstanding school (2014). In the summer of 2018, the exam results at CGS were outstanding. This year

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

saw the introduction of the new 9-1 GCSE qualifications in almost all subjects. These are more complex and challenging in terms of content and assessment. The students rose to the challenge, attaining excellent results. Both the Progress 8 and Attainment 8 scores placed the school in the top 85 of all schools nationally. They also shown CGS as the top performing co-educational grammar school in Buckinghamshire.

2018 GCSE Progress 8 score: 0.93 - well above average

2018 GCSE Attainment 8 score: 74.1

44% of all entries were awarded the two top new grades of 9/8

Over 70% of all entries were awarded 7-9 grades, equivalent to A\*/A, the highest percentage the school had ever had

At A level, the results were also amongst the best the school has ever had with 75% of all entries graded A\*-B.

### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust 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 Statement of Accounting Policies.

### **Financial Review**

During the period, ESFA grants received totalled to £7,167,812. Other income included within restricted funds totalled to (£157,070), this including the deficit on the pension liability on conversion for Waterside Primary Academy. Restricted fund expenditure totalled to £7,659,006.

On May 1st, 2018, Waterside Primary Academy joined White Hill Schools Trust. The group as a whole reported a surplus of £4,300,650 (before actuarial gains and losses) for the year ended 31 August 2018.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12-month period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants 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 expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the schools in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plans and school aims.

Trustees through the Finance Committee and Finance and Resources Director receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Finance Committee also review longer term financial models to plan and organise resources most effectively to fulfil the aims of the Trust.

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

### **Reserves Policy**

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Trust and is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review at each Finance Committee meeting and aim to build and maintain the reserves level whilst in keeping with the principal object of the Trust.

Total reserves at the end of the period amounted to £660,032. This balance includes unrestricted funds (free reserves) of £522,898, which is considered appropriate for the Trust, and restricted funds of £137,134.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totaling to £2,623,000. This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

### **Investment Policy**

The Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at Trust level, which is agreed by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the academies to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies, are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2018, no investments were held.

### **Principal Risks and Uncertainties**

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

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

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to recruitment and health and safety) and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2018.

### **Fundraising**

Fund raising monies have been received during the year in the form of donations received to support capital development at Chesham Grammar School. These are ongoing contributions in respect of an historic campaign. However no active fundraising has occurred in the 17/18 year.

### Plans for future periods

Following the increase to three schools in 2017-18 the Trust is now undertaking a major review of its processes and procedures to ensure they are appropriate and robust enough to allow for further growth. This includes a review of Trust capacity and central team resourcing and structures and the development of detailed plans. The Trust will also be changing its name to something more acceptable to schools that are considering joining. In 2018-19 the Trust will be appointing a Chief Operating Officer. This replaces the previous role of Finance and Resources Director. In due course a CEO will also be appointed. This will replace the role of Executive Headteacher and will enable Chesham Grammar School to revert to having a full-time headteacher.

The Trust is intending to expand substantially in the next 12 months and is in detailed discussion with other local schools. This expansion will lead to changes in governance arrangements at Member and Board level as one of the schools wishing to join is a church school. This will coincide with terms of office for current Trustees expiring so will provide the opportunity to refresh and up-skill membership of the Board.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust and its Trustees did not act as custodian Trustee during the current or previous period.

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

### **Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2018 and signed on its behalf by:

S Walton

**Chair of Trustees** 

#### **GOVERNANCE STATEMENT**

#### **SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that White Hill Schools Trust 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 Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between White Hill Schools Trust 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 Statement of Trustees' responsibilities. The Board of Trustees has formally met 8 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
A Garnett	7	8
A McNaney, Accounting Officer	8	8
K Morris	5	8
A Ogden	7	8
M Park	7	8
F Sanger	8	8
S Walton, Chair of Trustees	8	8

Trustees currently also serve on the Finance Committee. Some also sit as governors on Local Governing Bodies.

Trustees carried out a skills audit of Trustees in Autumn 2017 and also required the Local Governing Bodies to do the same. There was no change to membership of the Board this year. The results of the skills audits were used to recruit governors for the Local Governing Bodies at each academy.

The Trustees intend to commission a review of Trust governance in the coming year.

Key findings noted, actions taken and their impact are noted below:

- The Trust was approached by DfE in Autumn 2017 to sponsor Waterside County Combined School. Trustees were sympathetic to the school's wish to have a local sponsor and that matched the aims of the Trust to operate as a community MAT. Trustees discussed at length the implications of taking on another primary school in difficulties and the moral imperative of doing so. Following a due diligence exercise Trustees agreed to go ahead and the school joined White Hill Schools Trust as Waterside Primary Academy on 1 May. The conversion process was more complex than envisaged and the difficulties at the school had substantially increased by the point of transfer. The needs of the school quickly demonstrated that the Trust needed strengthening in order to support the school effectively which has in turn led to external expertise being commissioned to help the Trust develop further.
- Leadership and staffing issues at Ivingswood Academy led to the progress made in the previous year being eroded. The recruitment of temporary teaching staffing of an acceptable quality led to substantial difficulties, particularly in the Spring term. The Trust put additional leadership support into the academy and also enlisted specialist support from another primary academy. The Trust recruited a substantive Headteacher for the school who started on 1 September 2018 and also a strong team of experienced teachers. The school improvement support for Ivingswood Academy (and Waterside Primary Academy) has been further strengthened for 2018-19.

### WHITE HILL SCHOOLS TRUST

(A company limited by guarantee)

### **GOVERNANCE STATEMENT (continued)**

o In 2017 the Trust was involved in local discussion about a community MAT. White Hill Schools Trust is now seen as the likely vehicle for that and Trustees have been in detailed discussion with another local secondary school and also the Diocese of Oxford. Discussions have also taken place with some local primary schools to better understand their needs. These discussions are reviewed regularly at Board meetings and are feeding in to the Trust development plans.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its remit includes reviewing and monitoring Trust and academy budgets, reviewing and approving financial policy and procedures and ensuring these are followed, appointing the Responsible Officer and approving and monitoring risks.

No significant issues to note were dealt with during the period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Ogden (Committee Chair)	5	6
A Garnett	6	6
A McNaney, Executive Headteacher Accounting Officer	and 6	6
K Morris	3	6
M Park	5	6
F Sanger	6	6
S Walton, Chair of Trustees	6	6

### **Review of Value for Money**

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- o With the addition of Waterside Primary Academy, there is further opportunity to benefit from economies of scale in terms of procurement
- As White Hill Schools Trust develops and evolves, increased joint purchasing is occurring enabling greater standardization in approach

### 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 Trust 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 White Hill Schools Trust for the year 1 September 2017 to 31 August 2018 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 Trust 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 Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **GOVERNANCE STATEMENT (continued)**

#### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and audit and premises 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 not to appoint an internal auditor. However, the Trustees have appointed Mike Park, a suitably qualified Trustee, to the role of Responsible Officer (RO) to carry out a programme of internal checks.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- o testing of payroll systems
- o testing of purchase systems
- o testing of control account/ bank reconciliations.

On a regular basis, Mike Park the reviewer reports to the Board of Trustees through the finance and audit and premises committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Board can confirm that the reviewer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

#### **REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Headteacher 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 Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust 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 Trust Board 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 12 December 2018 and signed on their behalf,

bv.

S Walton

**Chair of Trustees** 

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of White Hill Schools Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

A McNaney Accounting Officer

Date: 12 December 2018

Arganay 12-12-12

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:

S Walton

**Chair of Trustees** 

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE HILL SCHOOLS TRUST

### **OPINION**

We have audited the financial statements of White Hill Schools Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may
  cast significant doubt about the academy's ability to continue to adopt the going concern basis of
  accounting for a period of at least twelve months from the date when the financial statements are
  authorised for issue.

### **OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE HILL SCHOOLS TRUST

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE HILL SCHOOLS TRUST

### **USE OF OUR REPORT**

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

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants Statutory Auditors

Mountcliff House 154 Brent Street London NW4 2DR 12 December 2018

### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WHITE HILL SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 May 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by White Hill Schools Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### RESPECTIVE RESPONSIBILITIES OF WHITE HILL SCHOOLS TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of White Hill Schools Trust's funding agreement with the Secretary of State for Education dated 29 July 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### APPROACH:

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WHITE HILL SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

### CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landon Baker

Landau Baker Limited

Chartered Accountants Statutory Auditors

Mountcliff House 154 Brent Street London NW4 2DR

12 December 2018

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

INCOME FROM:	Note ∵	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and capital grants Charitable activities Other trading activities Investments	2 3 4 5	36,335 154,184 756	7,010,742	5,208,426 - - -	5,244,761 7,010,742 154,184 756	1,140,812 6,921,409 131,271 4,450
TOTAL INCOME		191,275	7,010,742	5,208,426	12,410,443	8,197,942
EXPENDITURE ON: Charitable activities TOTAL EXPENDITURE	6	29,966 29,966	7,659,006	420,821	8,109,793 8,109,793	7,480,704
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS Transfers between Funds	21	161,309	(648,264) (123,311)	4,787,605 123,311	4,300,650	717,238
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		161,309	(771,575)	4,910,916	4,300,650	717,238
Actuarial gains on defined benefit pension schemes	27	-	610,000	-	610,000	575,000
NET MOVEMENT IN FUNDS		161,309	(161,575)	4,910,916	4,910,650	1,292,238
RECONCILIATION OF FUNDS: Total funds brought forward		361,589	(2,324,291)	18,310,619	16,347,917	15,055,679
TOTAL FUNDS CARRIED FORWARD		522,898	(2,485,866)	23,221,535	21,258,567	16,347,917

### WHITE HILL SCHOOLS TRUST

(A company limited by guarantee) REGISTERED NUMBER: 07697482

### BALANCE SHEET AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	16		23,113,864		18,008,502
CURRENT ASSETS					
Stocks	17	4,566		13,209	
Debtors	18	491,314		420,397	
Cash at bank and in hand		1,207,923		1,733,213	
		1,703,803		2,166,819	
CREDITORS: amounts falling due within one year	19	(829,856)		(1,058,033)	
NET CURRENT ASSETS			873,947		1,108,786
TOTAL ASSETS LESS CURRENT LIABILIT	IES		23,987,811		19,117,288
CREDITORS: amounts falling due after more than one year	20		(106,244)		(122,371)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			23,881,567		18,994,917
Defined benefit pension scheme liability	27		(2,623,000)		(2,647,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			21,258,567		16,347,917
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	137,134		322,709	
Restricted fixed asset funds	21	23,221,535		18,310,619	
Restricted income funds excluding pension liability		23,358,669	"	18,633,328	
Pension reserve		(2,623,000)		(2,647,000)	
Total restricted income funds			20,735,669		15,986,328
Unrestricted income funds	21		522,898		361,589
TOTAL FUNDS			21,258,567		16,347,917

The financial statements on pages 20 to 43 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

**S Walton** 

**Chair of Trustees** 

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### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities		_	_
Net cash (used in)/provided by operating activities	23	(141,710)	626,738
Cash flows from investing activities:			
Returns on investments and servicing of finance		756	4,450
Purchase of tangible fixed assets		(894,500)	(1,230,556)
Capital grants from DfE Group		576,743	1,019,441
Net cash used in investing activities		(317,001)	(206, 665)
Cash flows from financing activities:			
Repayments of borrowings		(66,579)	-
Cash inflows from new borrowing		•	198,625
Net cash (used in)/provided by financing activities		(66,579)	198,625
Change in cash and cash equivalents in the year		(525,290)	618,698
Cash and cash equivalents brought forward		1,733,213	1,114,515
,			
Cash and cash equivalents carried forward	24	1,207,923	1,733,213

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

#### 1. ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

White Hill Schools Trust constitutes a public benefit entity as defined by FRS 102.

### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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

### 1. ACCOUNTING POLICIES (continued)

### 1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

### 1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property - 125 years
Furniture and fixtures - 4 and 10 years
Motor vehicles - 5 years
Computer equipment - 3 years

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

### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### 1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### 1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

### 1.11 Taxation

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

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

### 1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own adminstration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

### 1.14 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

### 1. ACCOUNTING POLICIES (continued)

### 1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018	Restricted fixed asset funds 2018	Total funds 2018 £	Total funds 2017 £
Donations Capital Grants	36,335 -	- -	24,323 552,420	60,658 552,420	121,372 1,019,440
Assets gifted from predecessor school (see note 25)		-	4,631,683	4,631,683	
	36,335	-	5,208,426	5,244,761 ————	1,140,812
Total 2017	76,316	-	1,064,496	1,140,812	

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

### 3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

White	Hill	Schoo	ls Trust

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
	DfE/ESFA grants				
	General annual grant Pupil premium Other DfE/ESFA grants		6,364,331 151,265 121,430	6,364,331 151,265 121,430	6,498,885 123,290 10,129
	•				
	Other government grants		6,637,026	6,637,026	6,632,304
			045.004	045.004	04.747
	Other government grants SEN income	-	215,601 52,185	215,601 52,185	61,717 60,207
		•	267,786	267,786	121,924
	Other funding				
	Other income	-	105,930	105,930	167,181
		-	105,930	105,930	167,181
		-	7,010,742	7,010,742	6,921,409
	Total 2017	-	6,921,409	6,921,409	
4.	OTHER TRADING ACTIVITIES				
		Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
	Lettings Income Catering Income Trip Income Other Income	23,037 68,265 18,835 44,047		23,037 68,265 18,835 44,047	24,807 65,129 2,641 38,694
		154,184	•	154,184	131,271
	Total 2017	131,271	-	131,271	

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

_	INIVECTMENT INCOME		

Investment income  Total 2017  Unrestricted funds 2018 £  Total 2017  4,450	Restricted		
	funds 2018 £	Total funds 2018 £	Total funds 2017 £
Total 2017 4,450	<u>-</u>	756 	4,450
	-	4,450	
6. EXPENDITURE			
Staff costs Premises 2018 2018 £ £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Activities:     Direct costs	692,112 996,798 1,688,910	5,523,739 2,586,054 	5,161,267 2,319,437 7,480,704
7. ANALYSIS OF EXPENDITURE BY ACTIVITIES	1,346,362	7,480,704	
Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Activities 5,523,739	2,586,054	8,109,793	7,480,704
Total 2017 5,161,267	2,319,437	7,480,704	

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

### 8. DIRECT COSTS

		Educational Activities	Total 2018	Total 2017
		£	£	£
	Educational consultancy	17,070	17,070	10,920
	Technology costs	163,381	163,381	166,549
	Educational supplies	106,349	106,349	111,205
	Examination fees	117,616	117,616	150,409
	Staff development	42,712	42,712	31,367
	Teaching supply costs	112,943	112,943	233,254
	Recruitment & support	59,509	59,509	25,123
	Other direct costs	180,206	180,206	143,020
	Wages and salaries	3,740,616	3,740,616	3,404,070
	National insurance	369,378	369,378	335, 392
	Pension cost	613,959	613,959	557,994
		5,523,739	5,523,739	5,169,303
	Total 2017	5,161,267 	5,161,267	
9.	SUPPORT COSTS			
		Educational	Total	Total
	•	Activities	2018	2017
		£	£	£
	Pension finance costs	70,000	70,000	62,000
	Technology costs	50,746	50,746	25,002
	Maintenance of premises and equipment	103,057	103,057	83,556
	Cleaning	12,639	12,639	24,013
	Rates and water	45,984	45,984	40,825
	Énergy costs	99,570	99,570	86,569
	Insurance	44,300	44,300	47,842
	Professional fees	199,219	199,219	106,860
	Catering	42,162	42,162	37,734
	Other support costs	128,098	128,098	121,769
	Professional services	25,058	25,058	35,852
	Legal and professional fees	500	500	2,910
	Governance costs	12,375	12,375	9,430
	Wages and salaries	852,036	852,036	770,983
	National insurance	62,579	62,579	58,508
	Pension cost	416,910	416,910	375,603
	Depreciation	420,821	420,821	421,945
		2,586,054	2,586,054	2,311,401
	Total 2017	2,319,437	2,319,437	

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

### 10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	420,821	205,984
Auditors' remuneration - audit	6,750	6,750
Auditors' remuneration - other services	5,625	3,480
Operating lease rentals	-	26,340

### 11. STAFF COSTS

### a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries Social security costs	4,592,652 431,957	4,175,053 393,900
Operating costs of defined benefit pension schemes	1,030,869	933,597
Agency staff costs	6,055,478 107,674	5,502,550 233,254
	6,163,152	5,735,804

### b. Staff numbers

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

	2018 No.	2017 No.
Teaching Administration and support Management	73 64 10	62 52 9
	147	123

### c., Higher paid staff

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

	2018	2017	
	No.	No.	
In the band £60,001 - £70,000	2	2	
In the band £70,001 - £80,000	1	1	
In the band £80,001 - £90,000	1	1	

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, employer pension contributions for these staff amounted to £37,244 (2017 - £51,771).

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

### 11. STAFF COSTS (continued)

### d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £186,146 (2017: £183,633).

### 12. CENTRAL SERVICES

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

- management services
- financial support services
- legal services
- HR services
- estates management

The academy charges for these services on the following basis:

5% of the school budget share GAG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£ .	£
Chesham Grammar School	273,588	279,437
Ivingswood Academy	38,880	39,912
Waterside Primary Academy	11,996	-
	324,464	319,349
Total		

### 13. RELATED PARTY TRANSACTIONS- TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
A McNaney	Remuneration Pension contributions paid	85,000-90,000 10,000-15,000	85,000-90,000 10,000-15,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

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

### 14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £858 (2017 - £834).

### 15. PENSION FINANCE COST

	2018 £	2017 £
Interest income on pension scheme assets Interest on pension scheme liabilities	69,000 (139,000)	46,000 (108,000)
	(70,000)	(62,000)

### 16. TANGIBLE FIXED ASSETS

				Assets		
	Leasehold	Furniture	Motor	under	Computer	
	property	and fixtures	vehicles	construction	equipment	Total
	. <b>£</b>	£	£	£	£	£
Cost						
At 1 September 2017	18,132,447	635,505	29,384	731,971	354,688	19,883,995
Additions	6,181,552	47,508	•	-	29,094	6,258,154
Transfer between classes	-	-	•	(731,971)	-	(731,971)
At 31 August 2018	24,313,999	683,013	29,384		383,782	25,410,178
Depreciation	-					
At 1 September 2017	1,234,807	321,445	29,384	-	289,857	1,875,493
Charge for the year	329,127	44,440	•		47,254	420,821
At 31 August 2018	1,563,934	365,885	29,384	-	337,111	2,296,314
Net book value						
At 31 August 2018	22,750,065	317,128			46,671	23,113,864
At 31 August 2017	16,897,640	314,060	-	731,971	64,831	18,008,502

### 17. STOCKS

	2018	2017
	£	£
Closing stock	4,566	13,209

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

18.		EBT	$\sim$ r	•
1X	111	- 14 1		< ⋝

10.			
		2018	2017
		£	£
	Trade debtors	10,749	-
	Other debtors	184,539	268,476
	Prepayments and accrued income	296,026	151,921
		491,314	420,397
40	CDEDITORS: Amounto folling due within one year		
19.	CREDITORS: Amounts falling due within one year		
		2018	2017
		£	£
	Other loans	25,802	76,254
	Trade creditors	397,846	612,119
	Other taxation and social security	110,140	98,947
	Other creditors	100,833	85,543
	Accruals and deferred income	195,235	185,170
		829,856 	1,058,033
		2018	2017
		£	£
	Deferred income		
	Deferred income at 1 September 2017	28,760	420,764
	Resources deferred during the year	131,680	28,760
	Amounts released from previous years	(28,760)	(420,764)
	Deferred income at 31 August 2018	131,680	28,760
	,	<del></del>	

At the balance sheet date the academy trust was holding funds received in advance for funding relating to the 2018/19 school year.

### 20. CREDITORS:Amounts falling due after more than one year

	2018	2017
	£	£
Other loans	106,244	122,371

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

### 21. STATEMENT OF FUNDS

·	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	361,589	191,275	(29,966)			522,898
Restricted funds						
Restricted Funds - all funds Pension reserve	322,709 (2,647,000)	7,273,742 (263,000)	(7,336,006) (323,000)	(123,311)	- 610,000	137,134 (2,623,000)
	(2,324,291)	7,010,742	(7,659,006)	(123,311)	610,000	(2,485,866)
Restricted fixed asset fu	nds					
Restricted Fixed Asset Funds - all funds	18,310,619	5,208,426	(420,821)	123,311	-	23,221,535
Total restricted funds	15,986,328	12,219,168	(8,079,827)	•	610,000	20,735,669
Total of funds	16,347,917	12,410,443	(8,109,793)	-	610,000	21,258,567

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

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

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

Restricted general funds are reources for educational purposes.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

### 21. STATEMENT OF FUNDS (continued)

### ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total	Total
	2018	2017
	£	£
Chesham Grammar School	461,357	589,175
Ivingswood Academy	32,145	72,315
Waterside Primary Academy	130,977	-
White Hill Schools Trust	35,553	22,808
Total before fixed asset fund and pension reserve	660,032	684,298
Restricted fixed asset fund	23,221,535	18,310,619
Pension reserve	(2,623,000)	(2,647,000)
Total	21,258,567	16,347,917

### **ANALYSIS OF ACADEMIES BY COST**

Expenditure incurred by each academy during the year was as follows:

Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
3,860,909	857,534	88,354	1,342,346	6,149,143	5, 632, 997
704,680	195,378	12,711	215,988	1,128,757	1,142,254
183,545	53,127	2,672	54,640	293,984	-
82,493	225,487	•	(190,892)	117,088	(7,988)
4,831,627	1,331,526	103,737	1,422,082	7,688,972	6,767,263
	and educational support staff costs £ 3,860,909 704,680 183,545 82,493	and educational support staff costs £  3,860,909  857,534  704,680  195,378  183,545  53,127  82,493  225,487	and educational support staff costs £	and educational support staff costs £         Other support staff costs £         Educational supplies £         Other costs excluding depreciation £           3,860,909         857,534         88,354         1,342,346           704,680         195,378         12,711         215,988           183,545         53,127         2,672         54,640           82,493         225,487         -         (190,892)	and educational support staff costs £ £ Educational supplies £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £

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

### 21. STATEMENT OF FUNDS (continued)

### **STATEMENT OF FUNDS - PRIOR YEAR**

Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
158,440	214,442	(11,293)	-	-	361,589
				<del></del>	
92,590 (2,937,000)	6,919,004	(6,470,970) (285,000)	(217,915) -	- 575,000	322,709 (2,647,000)
nds					
17,741,649	1,064,496	(713,441)	217,915		18,310,619
15,055,679	8,197,942	(7,480,704)	-	575,000	16,347,917
	1 September 2016 £ 158,440 92,590 (2,937,000) nds 17,741,649	1 September 2016 Income £ £  158,440 214,442  92,590 6,919,004 (2,937,000) -  nds  17,741,649 1,064,496	1 September 2016 Income Expenditure £ £ £  158,440 214,442 (11,293)  92,590 6,919,004 (6,470,970) (2,937,000) - (285,000)  nds  17,741,649 1,064,496 (713,441)	1 September 2016 Income Expenditure £ in/out £ £ 158,440 214,442 (11,293) -   92,590 6,919,004 (6,470,970) (217,915) (2,937,000) - (285,000) -   nds  17,741,649 1,064,496 (713,441) 217,915	1 September 2016 Income Expenditure £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £

### A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	_income	Expenditure £	Transfers in/out	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	158,440	405,717	(41,259)	-	-	522,898
Restricted funds						
Restricted Funds - all funds Pension reserve	92,590 (2,937,000)	14,192,746 (263,000)	(13,806,976) (608,000)	(341,226) -	- 1,185,000	137,134 (2,623,000)
Restricted fixed asset fu	nds					
Restricted Fixed Asset Funds - all funds	17,741,649	6,272,922	(1,134,262)	341,226	-	23,221,535
	14,897,239	20,202,668	(15,549,238)	-	1,185,000	20,735,669
Total of funds	15,055,679	20,608,385	(15,590,497) ======		1,185,000	21,258,567

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

### 22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018	Restricted fixed asset funds 2018	Total funds 2018 £
Tangible fixed assets Current assets Creditors due within one year Creditors due in more than one year Provisions for liabilities and charges	522,898 - - - -	1,073,234 (829,856) (106,244) (2,623,000)	23,113,864 107,671 - - -	23,113,864 1,703,803 (829,856) (106,244) (2,623,000)
·	522,898	(2,485,866)	23,221,535	21,258,567
ANALYSIS OF NET ASSETS BETWEEN FUNDS -	PRIOR YEAR			
	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	18,008,502	18,008,502
Current assets	361,589	1,503,113	302,117	2,166,819
Creditors due within one year Creditors due in more than one year	-	(1,058,033) (122,371)	_	(1,058,033) (122,371)
Provisions for liabilities and charges	-	(2,647,000)	-	(2,647,000)
	361,589	(2,324,291)	18,310,619	16,347,917

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

2018	2017
£	£
4,300,650	717,238
	·
420,821	421,945
(4,368,683)	-
(756)	(4,450)
•	2,419
8,643	(1,289)
(70,917)	(111,787)
(177,725)	337,102
(576,743)	(1,019,440)
253,000	223,000
70,000	62,000
(141,710)	626,738
	£ 4,300,650  420,821 (4,368,683) (756)  - 8,643 (70,917) (177,725) (576,743) 253,000 70,000

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

### 24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,207,923	1,733,213
Total	1,207,923	1,733,213

#### 25. CONVERSION TO AN ACADEMY TRUST

On 1 May 2018 Waterside Combined School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to White Hill Schools Trust from Buckinghamshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as assets gifted from predecessor school

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds	Restricted fixed asset funds	Total funds £
Tangible fixed assets				
Leasehold land and buildings	•	-	4,565,000	4,565,000
<ul> <li>Other tangible fixed assets</li> </ul>	-	-	66,683	66,683
LGPS pension surplus/(deficit)	-	(263,000)	-	(263,000)
Net assets/(liabilities)		(263,000)	4,631,683	4,368,683

### 26. CAPITAL COMMITMENTS

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

71. 0 77 tagast 20 to the assaustry had capital commitments de follows.	2018 £	2017 £
Contracted for but not provided in these financial statements	116,286	-

<sup>2</sup> Grants of £40k were received for Waterside Primary Academy and Ivingswood Academy in respect of infrastructure work. These grants will be utilised in the 18/19 year to provide improved Fencing at Waterside and provide building work to the school buildings in Ivingswood.

#### 27.

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

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

### 27. (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

### **Teachers' Pension Scheme**

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £506,388 (2017 - £461,854).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

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

### 27. (continued)

The total contribution made for the year ended 31 August 2018 was £337,000 (2017 - £317,000), of which employer's contributions totalled £264,000 (2017 - £249,000) and employees' contributions totalled £73,000 (2017 - £68,000). The agreed contribution rates for future years are 22.8% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

2018	2017
24.0	23.9
26.1	26.0
26.3	26.2
28.5	28.3
	24.0 26.1 26.3

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,634,000	1,379,000
Debt Property	750,000 227,000	560,000 181,000
Cash	186,000 346,000	84,000
Other	316,000	256,000
Total market value of assets	3,113,000	2,460,000

The actual return on scheme assets was £90,000 (2017 - £264,000).

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

### 27. (continued)

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

Current service cost (514,000) (471,000 (101,000) (471,000) (101,0
Interest income
Interest cost Admin expenses (139,000) (108,000 (3,000) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000 (3,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000 (1,000)) (1,000) (1,00
Admin expenses         (3,000)         (1,000)           Total         (587,000)         (534,000)           Actual return on scheme assets         90,000         264,000           Movements in the present value of the defined benefit obligation were as follows:         2018         2018           Copening defined benefit obligation         5,107,000         4,897,000           Upon conversion         518,000         -           Current service cost         514,000         471,000           Interest cost         139,000         108,000           Employee contributions         73,000         68,000           Actuarial gains         (589,000)         (382,000)           Benefits paid         (26,000)         (55,000)           Closing defined benefit obligation         5,736,000         5,107,000           Movements in the fair value of the academy's share of scheme assets:         2018         2018
Total         (587,000)         (534,000)           Actual return on scheme assets         90,000         264,000           Movements in the present value of the defined benefit obligation were as follows:         2018         2018           Copening defined benefit obligation         5,107,000         4,897,000           Upon conversion         518,000         -           Current service cost         514,000         471,000           Interest cost         139,000         108,000           Employee contributions         73,000         68,000           Actuarial gains         (589,000)         (382,000)           Benefits paid         (26,000)         (55,000)           Closing defined benefit obligation         5,736,000         5,107,000           Movements in the fair value of the academy's share of scheme assets:         2018         2018
Actual return on scheme assets    90,000   264,000
2018   2018   2018   E
2018   2018   E
E         Opening defined benefit obligation       5,107,000       4,897,00         Upon conversion       518,000       -         Current service cost       514,000       471,00         Interest cost       139,000       108,00         Employee contributions       73,000       68,00         Actuarial gains       (589,000)       (382,00         Benefits paid       (26,000)       (55,00         Closing defined benefit obligation       5,736,000       5,107,00         Movements in the fair value of the academy's share of scheme assets:       2018       2018
Opening defined benefit obligation       5,107,000       4,897,00         Upon conversion       518,000       -         Current service cost       514,000       471,00         Interest cost       139,000       108,00         Employee contributions       73,000       68,00         Actuarial gains       (589,000)       (382,00         Benefits paid       (26,000)       (55,00         Closing defined benefit obligation       5,736,000       5,107,00         Movements in the fair value of the academy's share of scheme assets:       2018       2018
Upon conversion       518,000       -         Current service cost       514,000       471,00         Interest cost       139,000       108,00         Employee contributions       73,000       68,00         Actuarial gains       (589,000)       (382,00         Benefits paid       (26,000)       (55,00         Closing defined benefit obligation       5,736,000       5,107,00         Movements in the fair value of the academy's share of scheme assets:       2018       2018
Upon conversion       518,000       -         Current service cost       514,000       471,00         Interest cost       139,000       108,00         Employee contributions       73,000       68,00         Actuarial gains       (589,000)       (382,00         Benefits paid       (26,000)       (55,00         Closing defined benefit obligation       5,736,000       5,107,00         Movements in the fair value of the academy's share of scheme assets:       2018       2018
Interest cost       139,000       108,000         Employee contributions       73,000       68,000         Actuarial gains       (589,000)       (382,000)         Benefits paid       (26,000)       (55,000)         Closing defined benefit obligation       5,736,000       5,107,000         Movements in the fair value of the academy's share of scheme assets:       2018       2018
Employee contributions Actuarial gains Benefits paid  Closing defined benefit obligation  Movements in the fair value of the academy's share of scheme assets:  73,000 (58,000) (382,000) (26,000) (55,000)  5,107,000  2018  2018
Actuarial gains Benefits paid  Closing defined benefit obligation  Movements in the fair value of the academy's share of scheme assets:  2018  (382,000) (55,000) (55,000)  5,736,000  5,107,000  2018
Benefits paid (26,000) (55,000 Closing defined benefit obligation 5,736,000 S,107,000 Closing defined benefit obligation 5,736,000 S,107,000 Closing defined benefit obligation 2018 2018
Closing defined benefit obligation 5,736,000 5,107,000  Movements in the fair value of the academy's share of scheme assets:
Movements in the fair value of the academy's share of scheme assets:  2018 201
<b>2018</b> 201
£
Opening fair value of scheme assets 2,460,000 1,960,000
Upon conversion 255,000 -
Interest income 69,000 46,00
Actuarial gains <b>21,000</b> <i>193,00</i>
Employer contributions 264,000 249,00
Employee contributions 73,000 68,00
Benefits paid (26,000) (55,00
Administrative expenses (3,000) (1,00
Closing fair value of scheme assets 3,113,000 2,460,000

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

#### 28. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:	_	~
Within 1 year Between 2 and 5 years	43,135 34,720	16,625 11,474
Total	77,855	28,099

### 29. 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  $\pounds$  10 for the debts and liabilities contracted before he/she ceases to be a member.

### 30. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

### 31. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy received £9,362 (2017 - £9,629) and disbursed £3,000 (2017 - £2,600) from the fund. An amount of £27,591 (2017 - £21,229) is included in other creditors relating to undistributed funds that is repayable to ESFA.