



# FINANCIAL STATEMENTS

2015 - 2016

White Woods Primary Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2016

Company Registration Number:  
08589470 (England and Wales)



**White Woods**  
Primary Academy Trust

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**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Year ended 31 August 2016**

**Company Registration Number:**  
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# **White Woods Primary Academy Trust**

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# **White Woods Primary Academy Trust**

## **Reference and Administrative Details**

For the twelve month period ended 31 August 2016

### **Trustees/Members**

The following are all trustees and members of the trust:

Alan Richards – Chair of the Board & Chair of Governors Whiston Worrygoose J&I

Michael Jennings – Chair of Governors Canklow Woods Primary

Alan Bradbury – Governor Whiston J&I (resigned 31 December 2015)

Mark Moody – Governor Whiston Worrygoose J&I

Julie Turner (appointed 11 March 2016)

Phillip Marshall (appointed 11 March 2016)

### **Senior Management Team**

Chief Executive Officer

J Henderson

Canklow Woods Primary Head Teacher

S Rodgers

Dinnington Community Primary Head Teacher

V Vaughan

Whiston J&I Head Teacher

T Angell

Whiston Worrygoose J&I Head Teacher

M Latimer (left 31 August 2016)

Whiston Worrygoose J&I Head Teacher

D Taylor (from 1 September 2016)

Wickersley Northfield Primary Head Teacher

C Middleton

Chief Financial Officer

Peter Haynes

Company Registration Number 8589470

Registered Office

Whiston Worrygoose J&I

Hall Close Avenue

Whiston

Rotherham S60 4AG

Accounting Officer

Mr John Henderson

Independent Auditor

BHP, Chartered Accountants

2 Rutland Park

Sheffield S10 2PD

Bankers

Royal Bank of Scotland

Church Street Branch

5 Church Street

Sheffield

S1 1HF

Solicitors

Wrigleys Solicitors

19 Cookridge Street

Leeds LS2 3AG

# **White Woods Primary Academy Trust**

## **Directors' Report**

**For the twelve month period ended 31 August 2016**

The Directors present their annual report together with the financial statements and auditor's report of White Woods Primary Academy Trust for the twelve month period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a number of primary academies for pupils aged 3 to 11 serving five catchment areas in Rotherham. It has a combined pupil capacity of 1,346 and has 1,324 pupils on roll (based on January 2016 pupil census).

### **Structure, Governance and Management**

#### **Constitution**

The academy 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 Woods Primary Academy Trust Limited are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

The academy was set up by a Memorandum and Articles of Association dated June 2013 and commenced trading on 1 September 2013.

Details of all Governors who served at each school during the year are included in the Governance Statement on pages 15 and 16.

#### **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**

Directors are protected by the school's insurer for liability arising from negligent acts, errors, omissions committed in good faith.

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

On the approval of the three founding local governing bodies, the chairs from each school were asked to become a Director of White Woods Primary Academy Trust. However, given the recent/planned expansion of the trust, the existing Directors recognised a need for additional representation at Board level. Two additional Directors have been appointed with a strong education background. Both appointments, Phillip Marshall and Julie Turner, have been made on the basis of their skill and expertise in mainstream and early education.

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

### **The Role of the Directors**

The role of the Directors of White Woods Primary Academy Trust is to provide strategic direction to the academy trust.

### **Governors**

All five schools within the trust have their own local governing bodies.

### **Organisational Structure**

Subject to the mandates imposed by the Companies Act 2006, the Articles of Association ensure that the activities of the academy trust are managed by the Directors who exercise all the powers of the academy trust. The Directors scheme of delegation provides for decisions to be taken at the most appropriate level by the individual school governing bodies, sub-committees and staff through the management structure. The key responsibilities reserved by the Directors include: the responsibility to ensure that adequate operational systems and controls are in place and implemented to meet the academy's regulatory and funding obligations; the academy's accounting policies; approval of the annual consolidated budget; determine financial matters of a high value not delegated to its governing bodies, sub-committees or school staff; the appointment of its auditors; the security of the schools' assets and appointment of the Chief Executive and Chief Financial Officers.

### **The Role of Local Governing Bodies**

The local governing bodies of the trust aim to promote high standards of educational achievement in schools. In all deliberations governing bodies will:

- have the quality of the children's learning at the heart of all business
- be united around a common vision shared with the Chief Executive Officer and all staff, and expressed in the Developing Excellence Plan
- have clear and achievable goals

To underpin the above objectives the governing bodies will, in conducting their business, act with integrity, objectivity and honesty.

The governing bodies will carry out their work by taking a strategic role in the running of their schools. This will include:

- setting the vision, aims and objectives of the school
- establishing the strategic framework for the school
- agreeing policies and targets for achieving objectives; and
- reviewing the progress and reviewing the strategic framework in light of progress made

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

The governing bodies will act as a "critical friend" to the Head Teacher and Chief Executive Officer. This will include:

- providing the Head Teacher and staff with support, constructive advice and information drawing on its members' knowledge and experience
- monitoring and evaluating the schools' effectiveness

The governing bodies will discuss and, where appropriate, refine proposals from the Head Teacher, whilst always respecting the professional role of the Head Teacher and other staff, and their responsibilities for the management of the school. In fulfilling these duties the governing bodies will seek to reduce the administrative burden on the Head Teacher.

The governing bodies have the statutory functions to perform, however, to ensure that the schools focus where they can add most value – that is, in helping to shape strategies for school improvement. Governing bodies have considered the decision making arrangements and have delegated some functions to committees, individual governors and the Head Teacher/Chief Executive Officer (listed on page 3).

The governing bodies, in partnership with Head Teachers, the CEO and other staff, will help to decide what is required for the schools to achieve and set the framework for their achieving goals. The School Development Plan and agreed policies will provide the main focus for achieving this.

The governing bodies will monitor progress within each school, over time and in comparison with similar schools, but are not responsible for collecting/monitoring data; this is the responsibility of the Head Teachers. The governing bodies will use the agreed monitoring data to review and evaluate progress against previously set targets and see whether policies are effective – or need revising.

All governors are encouraged to visit the schools, following prior agreement with Head Teachers, to support staff and gain a better understanding of their school. This will enable more effective decision making on behalf of the pupils. The governing bodies will adopt the agreed procedures for "Governors' School Visits" and all governors will be expected to adhere to the principles in the procedure.

The governing body will be prepared to explain its decisions and actions to anyone who has legitimate interest. This may include staff, parents, the press and the Secretary of State.

Each governing body has a Finance, Audit and Premises Committee which comprises of three members, one of which is nominated to oversee audit. All governors assigned the audit brief will meet as and when required by the trust.

### **The Chief Executive Officer (CEO)/Accounting Officer**

The CEO will formulate policies and suggest appropriate targets to achieve the schools' vision, aims and objectives, for consideration by the governing bodies. The CEO may, where appropriate, involve governing bodies at an early stage when formulating such policies.

Following their adoption by the governing bodies, the Head Teachers of each school within the trust will implement the policies and lead the schools towards the agreed targets.

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

The CEO and professional staff are accountable to Directors and the governing bodies for the schools' performances. The CEO will advise the governing bodies on the most appropriate arrangements for monitoring and evaluating particular requirements and policies and will provide governing bodies with sufficient information, as agreed, to enable them to carry out their functions effectively.

The CEO is responsible for the internal organisation, the management and control of the schools and for advising on the governing body implementation of the strategic framework. This will include:

- formulating the vision, aims and objectives of the schools
- formulating the policies and targets to achieve the aims and objectives; and
- reporting to the governing bodies on the progress at least once every school year

The governing bodies and the CEO will work together in partnership to develop key policies. The governing body will seek the advice of the CEO before taking decisions on any of these matters.

The Senior Leadership Team (SLT) of each school comprise of:

- The Chief Executive Officer
- The Head Teacher
- The Deputy/Assistant Head Teacher(s)
- The School Business Manager

The Senior Leadership Team determines the strategic direction of the school, making policy recommendations to the governing body. The SLT has operational control of the school and monitors the quality of provision.

Middle leaders at all levels contribute to the decision making process and are instrumental in ensuring the implementation of key policies. Subject leaders meet regularly and these meetings serve both to further the school improvement agenda and to provide additional professional development opportunities to colleagues.

Line management structures are a key part of the organisation, promoting greater accountability in performance standards. All employees of the trust are subject to regular performance reviews.

### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Academy trustees are volunteers who give their time and expertise without charge on a voluntary basis. None of the academy's trustees have been paid any remuneration or received any other benefits from any employment with the academy trust or a related activity.

Pay and remuneration of key management personnel is determined by a variety of factors as set out in the School Teacher's Pay and Conditions Document (STPCD), such as, the school group size, ISR, and the pay scales for each role. The Pay and Remuneration of members of the Senior Leadership Team who are not subject to the STPCD will be arranged in accordance with National Joint Council terms and conditions. Pay decisions at the academy trust are made by the governing body which has delegated certain responsibilities and decision making powers to the Finance, Audit & Premises Committee as set out in academy's Pay Policy.



# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

On appointment, the starting salary of a successful candidate will be paid within the range set by the governing body taking into consideration; the nature of the post, the level of qualifications, skills and experience required, market conditions, the needs of the school, the school staffing profile, the School Improvement Plan.

The Head Teacher shall make recommendations based on performance regarding teachers' pay, including the Deputy Headteacher and other members of the Senior Leadership Team, to the Finance, Audit & Premises Committee on an annual basis.

In addition to this, pay and remuneration may be affected by any nationally agreed pay awards and terms and conditions.

### **Related Parties and other Connected Charities and Organisations**

White Woods Primary Academy Trust currently supports a number of maintained schools in Rotherham. These schools are:

- Anston Brook Primary
- Brinsworth Manor Junior
- Kilnhurst Primary
- Swinton Fitzwilliam Primary
- Wentworth CofE Primary
- Woodsetts Primary

The above named schools have received academy orders and will join White Woods Primary Academy Trust in the academic year 2016-17.

The following schools within the trust also have Parent/Teacher Associations:

- Whiston Worrygoose J&I
- Whiston J&I
- Wickersley Northfield Primary

The academy trust also has close links with Brinsworth, Oakwood and Wickersley Learning Communities and maintains a productive working relationship with Rotherham MBC.

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

### **Objectives and Activities**

#### **Objects and Aims**

All schools within the trust have adopted the following aims and objectives:

- To create lively and enquiring minds
- To help children acquire knowledge, concepts and skills that will give meaning to the world in which they live
- To help children realise their full potential academically, physically and socially
- To develop, in all children, positive attitudes towards work, learning and school
- To develop in children a good self-image, self-discipline and an awareness and sensitivity to others
- To create for children, a safe, secure, happy and stimulating environment

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

In order to achieve the above stated aims and objectives the trust has developed a strategy for expanding the size of the trust and strengthening leadership. Expanding the trust will have the following benefits:

- achieve economies of scale in purchasing resources
- shared expertise and best practice across the trust
- creating a stable, financially viable organisation

Achieving economies of scale will enable the trust to achieve greater value for money and target resources more effectively across the trust.

#### **Public Benefit**

The Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

White Woods Primary Academy Trust's principal objective is to provide education for students of different abilities between the ages of 3 and 11. The governors and Directors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. Furthermore, they have referred to this guidance when reviewing the academy's aims and objectives and in planning future activities. The trust supports other schools through the delivery of professional development and the sharing of practice and knowledge to ultimately benefit the wider community.

# White Woods Primary Academy Trust

## Directors' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Key Stage 2 SATs Results 2016

##### Canklow Woods Primary

Year 6	Below Expected Standard %	Meeting Expected Standard %	+/- National Average 2016 %
Reading	51.6	48.4	-17.3
Writing	16.1	83.9	+9.9
Maths	3.2	96.8	+27.1
SPAG	16.0	84.0	+12.0
Combined	55.0	45.0	-8.0

##### Dinnington Community Primary

Year 6	Below Expected Standard %	Meeting Expected Standard %	+/- National Average 2016 %
Reading	68.0	32.0	-34.0
Writing	16.0	84.0	+10.0
Maths	40.0	60.0	-10.0
SPAG	37.0	63.0	-9.0
Combined	75.0	25.0	-28.0

##### Whiston J&I

Year 6	Below Expected Standard %	Meeting Expected Standard %	+/- National Average 2016 %
Reading	33.3	66.7	+0.6
Writing	11.1	88.9	+11.2
Maths	33.3	66.7	-3.3
SPAG	25.9	74.1	+2.1
Combined	48.1	51.9	-1.1

# **White Woods Primary Academy Trust** **Directors' Report (continued)**

## **Whiston Worrygoose J&I**

Year 6	Below Expected Standard %	Meeting Expected Standard %	+/- National Average 2016 %
Reading	15.0	85.0	+19.0
Writing	18.0	82.0	+8.0
Maths	4.0	96.0	+26.0
SPAG	15.0	85.0	+13.0
Combined	26.0	74.0	+21.0

## **Wickersley Northfield Primary**

Year 6	Below Expected Standard %	Meeting Expected Standard %	+/- National Average 2016 %
Reading	27.6	72.4	+6.4
Writing	10.3	89.7	+15.7
Maths	12.1	87.9	+17.9
SPAG	12.1	87.9	+15.9
Combined		70.7	+17.7

## **Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

### **Financial Review**

The academy's financial performance is monitored by Directors and each school's individual financial performance is monitored by the local governing body, the Head Teacher and the School Business Manager.

The financial performance of the trust is also reported to the Education Funding Agency through the completion of:

- Annual Report and Financial Statements
- Budget Forecast Return
- Annual Accounts Return

In the year Dinnington Community Primary School joined the trust. On conversion to academy status net assets amounting to £2,092,000 were transferred from Rotherham MBC. This balance is made up of:

- £26,000 cash
- £2,621,000 fixed assets
- (£555,000) pension deficit

The main source of income for all schools is in the form of recurring grant funding from the Education Funding Agency (EFA). The use of this funding is governed by the terms and conditions set out in the funding agreement. All EFA grants received by the trust for the period ended 31 August 2016 and the associated expenditure are shown in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice (the SORP) – Accounting and Reporting by Charities 2015, capital grants received by the trust for the period ended 31 August 2016 will be shown in the Statement of Financial Activities as restricted income in the Fixed Asset Reserve. The Restricted Fixed Asset Reserve will reduce by the annual depreciation charge, in accordance with the trust's accounting policies, over the asset's expected useful economic life. On 31 August 2016 the net book value of fixed assets was:

- £4,515,000 – Canklow Woods Primary
- £2,591,000 – Dinnington Community Primary
- £3,826,000 – Whiston J&I
- £4,723,000 – Whiston Worrygoose J&I
- £7,345,000 – Wickersley Northfield Primary

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

### **Principal Risks and Uncertainties**

The trust has undertaken work during the period to establish the system of internal control, including financial, operational and risk management which is designed to protect the schools' assets and reputation. The academy's risk register contains details of the risks to which the organisation is exposed. It identifies the key risks, the likelihood of those risks occurring, their potential impact on schools' operations and the actions being taken to mitigate, eliminate and reduce the risks. It also reflects the continuing efforts taken by the trust during the year and includes appropriate review dates for the risks identified. All proposed new activities are assessed for risk. Risks are rated using a consistent scoring system.

The most significant risks faced by the trust are listed below:

- **Government funding** – the academy has considerable reliance on government funding through the Education Funding Agency (EFA). During the period 95% of school revenue was in the form of grant funding from public funds. The school is informed by the EFA of funding mechanisms and policies to the same degree as similar organisations.
- **Underlying rate of inflation and staffing costs** – the academy is mindful of the rise in the underlying rate of inflation. National pay progression, increased National Insurance contributions and the continuing flat rate applied to school funding have all impacted negatively on school budgets. The school reviewed the Pay Policy in June 2016, in accordance with the statutory provisions of the School Teachers' Pay and Conditions Document.

### **Reserves Policy**

Academy trusts are expected to create a reserve from their General Annual Grant (GAG). However, current GAG funding levels have created little opportunity to achieve a surplus. This is further compounded by recent funding reforms and the reduction in the Education Services Grant (ESG) paid to academies.

It is the policy of White Woods Primary Academy Trust to hold a prudent level of unspent GAG in order to ensure sufficient funds are available in the long term to enable the trust to meet its objectives. Given the proposed funding reforms over the coming years and the lack of clarity on how this will impact upon the trust, a healthy reserve will also enable the trust to stabilise its finances in the medium-long term and help to combat any negative impact as a result of these reforms.

The trust aims to maintain a reserve equivalent to one month's operating expenditure. For the academic year 2015-16 this equates to £465,000. At 31 August 2016 the trust held free reserves of £745,000 - £280,000 above target.

Although the trust's Funding Agreement does not impose any restrictions on the amount of GAG which can be retained year-on-year, the level should not be "excessive" as this may imply under investment and attract negative attention from stakeholders.

The reserves policy is reviewed by Directors annually.

# **White Woods Primary Academy Trust**

## **Directors' Report (continued)**

### **Investment Policy**

The trust's Articles of Association restrict any decisions on the investment of school funds to the governing body.

Directors may only invest funds after taking advice from a financial expert, as defined under the Financial Services and Markets Act 2000. Investments are currently restricted to deposit accounts with the schools' bankers. Any interest is returned to the school as unrestricted income.

### **Plans for Future Periods**

In determining the trust's objectives and priorities for the future, the Directors are mindful of the Charities Commission's general guidance on public benefit.

In the past twelve months the trust has grown from four schools to five. Over the next twelve months the trust aims to increase its portfolio of schools to at least twelve. Not only will this enable the trust to increase standards in neighbouring schools, it will also create greater financial stability for all schools within the trust.

The trust will continue to have the raising of standards, through improvements in progress and learning, as its top priority.

### **Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors 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 Directors Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 9 December 2016 and signed on the board's behalf by:



.....

**Alan Richards**  
Chair of Directors

**9 December 2016**

# White Woods Primary Academy Trust

## Governance Statement

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that White Woods Primary Academy 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 Directors has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Woods Primary Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities. The Board of Directors has formally met 7 times during the year. Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A Richards	6	7
M Jennings	6	7
A Bradbury (resigned 31 December 2015)	1	1
M Moody	6	7
J Turner (appointed 11 March 2016)	2	2
P Marshall (appointed 11 March 2016)	1	2

Given the recent/planned expansion of the trust, the existing Directors recognised a need for additional representation at board level. Two additional Directors have been appointed with a strong education background. Both appointments, Philip Marshall and Julie Turner, have been made on the basis of their skill and expertise in mainstream and early education.



# White Woods Primary Academy Trust

## Governance Statement (continued)

Attendance at local governing body meetings was as follows:

### Canklow Woods Primary

Governor	Meetings attended	Out of a possible
Mike Jennings	4	4
Sue Rodgers	4	4
Mark Moody	2	3
Sara Birch	3	4
Wendy Endicott	3	4
Rose McNeely	4	4
Phillip Guillian	1	4
Amanda Stacey	0	2

### Dinnington Community Primary

Governor	Meetings attended	Out of a possible
Paul Barson	4	4
Tracy Bell	3	4
Suzanne Bowers	2	4
Darren Brookes-Wright	1	4
Lisa Carroll	4	4
Angela Fathers	3	4
Andrew Forster	4	4
Stephanie Hilbert	4	4
Rachel Hogg	3	4
Sarah Jarvis	0	4
Ralph McIver	4	4
Debbie Rands	3	4
Vivienne St John	1	4
Vanessa Vaughan	3	4

# **White Woods Primary Academy Trust** **Governance Statement (continued)**

## **Whiston J&I**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Phillips	6	6
M Furness	2	6
A Bradbury	4	6
R Russell	2	6
J Archer	5	6
B Frazier	5	6
J Henderson	3	6
T Angell	6	6
K Francis-Burke	5	6
C Roberts	6	6

## **Whiston Worrygoose J&I**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Richards	2	3
G Skinner	3	5
J Henderson	3	4
M Latimer	4	5
Z Moore	4	4
T Gammons	5	5
P White	3	4
S Baynes	4	5
M Moody	5	4
J Wilding	3	4

# **White Woods Primary Academy Trust**

## **Governance Statement (continued)**

### **Wickersley Northfield Primary**

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Henderson	5	7
C Middleton	7	7
L Duncan	6	7
H Richards	6	7
L Quail	4	7
M Richardson	7	7
F England	4	7
A Stacey	4	7
B Cookson	5	5

# **White Woods Primary Academy Trust**

## **Governance Statement (continued)**

The trust established a Finance, Audit & Premises Committee for each local governing body. The committees were formed July 2014 and meet on a termly basis. Staffing sub-committees are appointed as and when necessary.

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

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing all services purchased by schools within the trust. A number of services, including cleaning and catering, have been brought in-house or new providers have been appointed. This has helped to reduce non-curriculum costs so that the trust's resources can be targeted more effectively at teaching and learning.
- Centralising procurement processes. By procuring services centrally, including; HR, payroll, audit and insurances, the trust has managed to achieve major savings.
- Pooling resources and sharing expertise across the trust. By utilising experienced School Business Managers to provide support to maintained schools the trust has been able to generate income and establish strong links with maintained schools.
- Maximising income generation. The trust has generated significant income from the letting of school premises, including The Pod at Canklow Woods Primary (a state of the art eco-pod, used as a training facility by external organisations).

# **White Woods Primary Academy Trust**

## **Governance Statement (continued)**

### **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 on-going process designed to identify and prioritise the risks to the achievement of academy 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 Woods Primary Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

### **The Risk and Control Framework**

The academy 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 Directors
- regular reviews by the Finance, 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 Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, throughout the year periodic checks were undertaken by a Local Authority accountant. The Board of Directors also established the role of Audit Governor and one governor from each local governing body was nominated to carry out termly internal audit inspections alongside these visits.

Given the proposed expansion of the trust over the coming year the Directors have reviewed the need for an internal audit service with greater capacity and expertise. The Directors are currently testing the market with the intention of appointing an internal audit service in the academic year 2016-17.

# **White Woods Primary Academy Trust**

## **Governance Statement (continued)**

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

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

On a quarterly basis, the reviewer reports to the Finance, Audit and Premises Committee on the operation of the systems of control and on the discharge of the Board of Directors financial responsibilities.

### **Review of Effectiveness**

As accounting officer the Chief Executive Officer 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 Local Authority accountant
- the work of the external auditor

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

Approved by order of the members of the Board of Directors on 9 December 2016 and signed on its behalf by:



**Alan Richards**  
Director



**John Henderson**  
Accounting Officer

# **White Woods Primary Academy Trust**

## **Statement of Regularity, Propriety and Compliance**

As accounting officer of White Woods Primary Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 2016.

I confirm that I and the academy trust Board of Directors 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 2016.

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 Directors and EFA.



**John Henderson**

Accounting Officer

**9 December 2016**

# White Woods Primary Academy Trust

## Statement of Trustees' Responsibilities

The trustees (who act as governors of White Woods Primary Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 9 December 2016 and signed on its behalf by:

  
.....

Alan Richards  
Chair of Trustees



# **White Woods Primary Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Trustees of White Woods Primary Academy Trust**

We have audited the financial statements of White Woods Primary Academy Trust for the Year ended 31 August 2016 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an Auditor's 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 trust's members for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of Trustees and auditor**

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

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

# **White Woods Primary Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Trustees of White Woods Primary Academy Trust (Continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

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



**Philip Ailsop (Senior Statutory Auditor)**  
for and on behalf of

BHP, Chartered Accountants

Statutory Auditors

2 Rutland Park  
Sheffield  
S10 2PD

Date: 16 December 2016

# **White Woods Primary Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to White Woods Primary Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 30 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by White Woods Primary Academy Trust during the Year 1 September 2015 to 31 August 2016 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 Woods Primary Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to White Woods Primary Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than White Woods Primary Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of White Woods Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of White Woods Primary Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2013, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

# **White Woods Primary Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to White Woods Primary Academy Trust and the Education Funding Agency (Continued)**

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 our conclusion includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that EFA approval has been obtained for relevant transactions;
- Discussions with Governors, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

### **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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Phillip Allsop (Senior Statutory Auditor)**

for and on behalf of

**BHP, Chartered Accountants**

**Statutory Auditors  
2 Rutland Park  
Sheffield  
S10 2PD**

**Date: 16 December 2016**

# White Woods Primary Academy Trust

## Statement of Financial Activities for the year ended 31 August 2016

### (Including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	8	-	113	121	451
Transfer from local authority on conversion	11	26	(555)	2,621	2,092	6,806
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	3	-	5,693	-	5,693	4,779
Other trading activities	4	235	-	-	235	144
Investments	5	3	-	-	3	2
<b>Total</b>		<b>272</b>	<b>5,138</b>	<b>2,734</b>	<b>8,144</b>	<b>12,182</b>
<b>Expenditure on:</b>						
Raising funds	6	15	-	-	15	55
<b>Charitable activities:</b>						
Academy trust educational operations	7	-	5,735	443	6,178	5,222
Other		-	-	-	-	-
<b>Total</b>		<b>15</b>	<b>5,735</b>	<b>443</b>	<b>6,193</b>	<b>5,277</b>
<b>Net Income / (expenditure)</b>		<b>257</b>	<b>(597)</b>	<b>2,291</b>	<b>1,951</b>	<b>6,905</b>
<b>Transfers between funds</b>	15	<b>(112)</b>	<b>(22)</b>	<b>134</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	15,26	-	(1,773)	-	(1,773)	(134)
<b>Net movement in funds</b>		<b>145</b>	<b>(2,392)</b>	<b>2,425</b>	<b>178</b>	<b>6,771</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>434</b>	<b>(2,051)</b>	<b>20,676</b>	<b>19,059</b>	<b>12,288</b>
<b>Total funds carried forward</b>		<b>579</b>	<b>(4,443)</b>	<b>23,101</b>	<b>19,237</b>	<b>19,059</b>

All the academy trust's activities derive from acquisitions in the current financial period.

# White Woods Primary Academy Trust

## Balance Sheet as at 31 August 2016

Company Number 08589470

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Intangible assets			-		-
Tangible assets	12		23,012		20,542
<b>Current assets</b>					
Debtors	13	253		316	
Cash at bank and in hand		833		594	
		<u>1,086</u>		<u>910</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(252)		(220)	
<b>Net current assets</b>			<u>834</u>		<u>690</u>
<b>Total assets less current liabilities</b>			<b>23,846</b>		<b>21,232</b>
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension liability</b>			<u>23,846</u>		<u>21,232</u>
Defined benefit pension scheme liability	26		(4,609)		(2,173)
<b>Total net assets</b>			<u>19,237</u>		<u>19,059</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	15	23,101		20,676	
. Restricted income fund	15	166		122	
. Pension reserve	15	(4,609)		(2,173)	
<b>Total restricted funds</b>			<b>18,658</b>		<b>18,625</b>
<b>Unrestricted income funds</b>	15		<u>579</u>		<u>434</u>
<b>Total funds</b>			<u>19,237</u>		<u>19,059</u>

The financial statements on pages 28-55 were approved by the trustees and authorised for issue on 9 December 2016 and are signed on their behalf by



Alan Richards  
Trustee

# **White Woods Primary Academy Trust** **Statement of Cash Flows** **for the year ended 31 August 2016**

	Notes	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	20	395	44
<b>Cashflow from financing activities</b>	21	(3)	(2)
<b>Cash flows from Investing activities</b>	22	(179)	(124)
<b>Cash transferred on conversion to an academy trust</b>	23	26	45
<b>Change in cash and cash equivalents in the reporting period</b>		<u>239</u>	<u>(37)</u>
<b>Cash and cash equivalents at 1 September 2015</b>		594	631
<b>Cash and cash equivalents at 31 August 2016</b>	24	<u>833</u>	<u>594</u>

# **White Woods Primary Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2016**

### **1 Statement of accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### **Basis of Preparation**

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 2015 to 2016 Issued by EFA, the Charities Act 2011 and the Companies Act 2006.

White Woods Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **First time adoption of FRS 102**

These financial statements are the first financial statements of White Woods Primary Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of White Woods Primary Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

#### **Explanation of transition to FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.



# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 1 Statement of accounting policies (continued)

### 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 company 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.

### Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Pupil Premium is recognised in the period of entitlement. Where entitlement occurs before income is received the income is accrued.

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**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 1 Statement of accounting policies (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

- **Land and buildings donated on conversion to academy status**

Land and buildings inherited on conversion to academy trust status are transferred on a 125 year lease for £nil consideration. The fair value of land and buildings is recognised on the face of the SoFA under 'Donations – transfer from local authority on conversion' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies. The values recognised in the financial statements are based on valuations carried out by the Local Authority on conversion. Where updated valuations are not available from the Local Authority the academy trust has appointed valuers to carry out valuations.

- **Other assets donated on conversion to academy status**

Other assets (furniture, equipment and ICT) donated on conversion to academy status are recognised at their fair value on the face of the SoFA under 'Donations – transfer from local authority on conversion' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### 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 Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 1 Statement of accounting policies (continued)

### Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

	Years
• Freehold buildings	50
• Long leasehold buildings	50
• Fixtures, fittings and equipment	5
• Computer hardware	3
• Motor vehicles	5

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 1 Statement of accounting policies (continued)

### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust 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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

### Taxation

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust 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 29, 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.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 1 Statement of accounting policies (continued)

The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### **Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust 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 Education Funding Agency/Department for Education.

### **Critical accounting estimates and areas of judgement**

Estimates and judgements 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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Critical areas of judgement*

Trustees have reviewed the financial statements and the basis of their preparation and have concluded that there are no critical areas of judgement which may have a material impact on the amounts recognised in the financial statements.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	113	113	401
Donated fixed assets	-	-	-	-
Other donations	8	-	8	50
	<u>8</u>	<u>113</u>	<u>121</u>	<u>451</u>

Income from donations and capital grants was £121,000 (2015: £451,000) of which £8,000 was unrestricted (2015: £50,000) and £113,000 restricted fixed assets (2015: £401,000).

## 3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	4,628	4,628	3,861
Start Up Grants	-	-	-	76
Other DfE/EFA grants	-	653	653	523
	<u>-</u>	<u>5,281</u>	<u>5,281</u>	<u>4,460</u>
<b>Other Government grants</b>				
Local authority grants	-	354	354	315
Special educational projects	-	-	-	4
	<u>-</u>	<u>-</u>	<u>-</u>	<u>319</u>
Other income from the academy trust's educational operations	-	58	58	-
	<u>-</u>	<u>5,693</u>	<u>5,693</u>	<u>4,779</u>

Funding for the academy's educational operations was £5,693,000 (2015: £4,779,000) of which all funds were restricted general funds. All 2015 funding also related solely to restricted general funds.

## 4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	15	-	15	8
Catering income	10	-	10	3
Other income	210	-	210	133
	<u>235</u>	<u>-</u>	<u>235</u>	<u>144</u>

Income from other trading activities was £235,000 (2015: £144,000) of which all funds were unrestricted. All 2015 income also related solely to unrestricted funds.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	3	-	3	2
	<u>3</u>	<u>-</u>	<u>3</u>	<u>2</u>

Investment income was £3,000 (2015: £2,000) of which all income was unrestricted. All 2015 income also related solely to unrestricted funds.

## 6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Premises £000	Other £000		
Expenditure on raising funds	3	5	7	15	55
Academy's educational operations:					
- Direct costs	3,661	328	652	4,641	3,940
- Allocated support costs	751	254	532	1,537	1,282
	<u>4,415</u>	<u>587</u>	<u>1,191</u>	<u>6,193</u>	<u>5,277</u>

Net Income/(expenditure) for the period includes:

	2016 £000	2015 £000
Operating lease rentals	17	9
Depreciation	443	384
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	-	-
Fees payable to auditor for:		
- audit	24	13
- other services	<u>1</u>	<u>11</u>

Total expenditure was £6,193,000 (2015: £5,277,000) of which £15,000 was unrestricted (2015: £55,000), £5,735,000 was restricted (2015: £4,838,000) and £443,000 was restricted fixed assets (2015: £384,000).

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 7 Charitable activities

	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	4,641	3,940
Support costs – educational operations	1,537	1,282
	<b>6,193</b>	<b>5,222</b>

Analysis of support costs	Boarding £000	Educational operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	-	751	751	619
Depreciation	-	42	42	37
Technology costs	-	-	-	-
Premises costs	-	218	218	203
Other support costs	-	492	492	399
Governance costs	-	34	34	24
<b>Total support costs</b>	<b>-</b>	<b>1,537</b>	<b>1,537</b>	<b>1,282</b>

Total support costs were £1,537,000 (2015: £1,282,000) of which £15,000 was unrestricted (2015: £55,000), £42,000 was restricted fixed assets (2015: £37,000) and £1,480,000 was restricted general funds (2015: £1,190,000).

## 8 Staff

### a. Staff costs

Staff costs during the period were:

	Total 2016 £000	Total 2015 £000
Wages and salaries	3,534	3,045
Social security costs	233	177
Operating costs of defined benefit pension schemes	628	497
	<b>4,395</b>	<b>3,719</b>
Supply staff costs	14	19
Staff restructuring costs	6	-
	<b>4,415</b>	<b>3,738</b>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	6	-
Other restructuring costs	-	-
	<b>6</b>	<b>-</b>



# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 8 Staff (continued)

### a. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,000 (2015: £nil). This consisted of one single payment.

### b. Staff numbers

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

	2016 No.	2015 No.
Teachers	65	59
Administration and support	193	157
Management	12	9
	<u>270</u>	<u>225</u>

During the year the average number of full time equivalent staff was 172 (2015: 131).

### c. Higher paid staff

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

	2016 No.	2015 No.
£120,001 -£130,000	-	1
£140,001 - £150,000	1	-

### d. Key management personnel

The key management personnel of the academy trust 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 trust was £454,000 (2015: £375,000).

## 9 Related Party Transactions – Trustees' remuneration and expenses

No trustee has been paid remuneration or has received other benefits from employment with the academy trust.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 10 Trustees and officers Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

## 11 Conversion to an Academy Trust

On 1 May 2016 Dinnington Community Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to White Woods Primary Academy Trust from Rotherham Local Authority 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 as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<b>Tangible fixed assets</b>				
Freehold land and buildings	-	-	-	-
Leasehold land and buildings	-	-	2,605	2,605
Other tangible fixed assets	-	-	16	16
Budget surplus / (deficit) on LA funds	25	-	-	25
Budget surplus / (deficit) on other school funds	1	-	-	1
LGPS pension surplus / (deficit)	-	(555)	-	(555)
<b>Net [assets / liabilities]</b>	<b>26</b>	<b>(555)</b>	<b>2,621</b>	<b>2,092</b>

Land and buildings were transferred to the academy trust on a 125 year lease for £nil consideration. Other tangible fixed assets with a value of £16,000 were also inherited on conversion and largely consisted of ICT equipment with a remaining useful economic life not exceeding two years.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 12 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
At 1 September 2015	21,147	63	151	-	21,361
Transfer on Conversion	2,605	1	15	-	2,621
Additions	212	30	50	-	292
Disposals	-	-	-	-	-
At 31 August 2016	23,964	94	216	-	24,274
<b>Depreciation</b>					
At 1 September 2015	710	14	95	-	819
Charged in year	364	19	60	-	443
Disposals	-	-	-	-	-
At 31 August 2016	1,074	33	155	-	1,262
<b>Net book values</b>					
At 31 August 2015	20,437	49	56	-	20,542
At 31 August 2016	22,890	61	61	-	23,012

## Long Term Leasehold Property

On formation in September 2013 the trust inherited buildings valued at £10.7m and land valued at £2.4m from Rotherham MBC. Wickersley Northfield Primary joined the trust November 2014 at which point buildings valued at £5.6m and land valued at £1.8m were transferred to the trust from Rotherham MBC. Dinnington Community Primary joined the trust May 2016 at which point buildings valued at £2.2m and land valued at £0.4m were transferred to the trust from Rotherham MBC. All land and buildings were transferred on a 125 year lease for £nil consideration.

## Other Inherited Assets

On formation in September 2013 the trust inherited furniture and equipment to the value of £57,000. In November 2015 the trust inherited £9,200 ICT equipment due to Wickersley Northfield Primary joining the trust. Dinnington Community Primary joined the trust May 2016 and a further £16,000 of equipment was transferred to the trust. All inherited assets are shown at fair value.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 13 Debtors

	2016 £000	2015 £000
Trade debtors	29	6
VAT recoverable	38	104
Other debtors	-	1
Prepayments and accrued income	186	205
	<b>253</b>	<b>316</b>

## 14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	-	-
Other taxation and social security	13	-
Other creditors	-	9
Accruals and deferred income	239	211
	<b>252</b>	<b>220</b>

	2016 £000	2015 £000
<b>Deferred Income</b>		
Deferred income at 1 September 2015	122	45
Released from previous years	(122)	(45)
Resources deferred in the year	192	122
Deferred Income at 31 August 2016	<b>192</b>	<b>122</b>

At the balance sheet date the following funds were held by the trust: Universal Infant Free School Meals grant (£94,000), Pupil Premium (£33,000) SEN funding (£24,000), salary funding received from Southern Partnership (£30,000) and school trip Income (£11,000).

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 15 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	138	4,628	(4,578)	(22)	166
Start Up Grant	-	-	-	-	-
Pupil Premium	-	341	(341)	-	-
Other grants	(16)	724	(708)	-	-
Pension reserve	(2,173)	(555)	(87)	(1,794)	(4,609)
	<b>(2,051)</b>	<b>5,138</b>	<b>(5,714)</b>	<b>(1,816)</b>	<b>(4,443)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	19,953	2,621	(357)	-	22,217
DfE/EFA capital grants	412	113	(47)	33	511
Capital expenditure from GAG	311	-	(39)	101	373
	<b>20,676</b>	<b>2,734</b>	<b>(443)</b>	<b>134</b>	<b>23,101</b>
<b>Total restricted funds</b>	<b>18,625</b>	<b>7,872</b>	<b>(6,157)</b>	<b>(1,682)</b>	<b>18,570</b>
<b>Total unrestricted funds</b>	<b>434</b>	<b>272</b>	<b>(15)</b>	<b>(112)</b>	<b>579</b>
<b>Total funds</b>	<b>19,059</b>	<b>8,144</b>	<b>(6,172)</b>	<b>(1,794)</b>	<b>19,237</b>

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

**General Annual Grant (GAG):** this is the academy trust's principal funding stream from the Education Funding Agency (EFA). The funding must be utilised for the running of the schools and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement. In the academic year 2015/16 the trust received £4,628,000 of which £166,000 remains unspent.

**Pupil Premium:** this funding is allocated to pupils who have been eligible for free school meals within the past 6 years. The ultimate aim of the grant is to raise raising attainment amongst pupils considered to be socially deprived. All Pupil Premium funding was spent at 31 August 2016.

**Other Grants:** the trust received additional grant revenue funding as follows:

- PE Sport Grant of £36,440 to promote sports and physical activity in schools.
- Universal Infant Free School Meals Grant of £149,946 to support schools in delivering the legal requirement to offer free school meals to all pupils in reception, year 1 and year 2.
- School Capacity Funding of £80,000 to support the trust in its expansion plans.
- Teaching Schools Alliance funding of £50,000 was awarded to Whiston Worrygoose J&I for developing and co-ordinating teaching expertise across a network of schools.
- National Leader in Education funding of £6,000 was awarded to Whiston Worrygoose J&I for increasing leadership capacity within the school.
- Early Years Funding of £257,000 to deliver early education at Whiston Worrygoose J&I, Dinnington Primary, Wickersley Northfield and Canklow Woods Primary.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 15 Funds (continued)

- Individually Assigned Resource funding of £47,187 to support pupils in school with exceptional special educational needs.
- Pupil Premium funding for looked after children of £23,674 was received from Rotherham and Barnsley local authorities to support children in care.

**Pension Reserve:** on conversion each school within the trust inherited a share of the Local Government Pension Scheme (LGPS) liability. The liability for each school at 31 August 2016 was:

- Canklow Woods Primary £1,089,000
- Dinnington Community Primary £834,000
- Whiston J&I £478,000
- Whiston Worrygoose J&I £867,000
- Wickersley Northfield Primary £1,341,000

In the year £87,000 pension finance charges were incurred. At 31 August 2016 the pension deficit for the trust was £4,343,000 – an increase of £2,170,000 (2015: £2,173,000). This increase was, in part, due to Dinnington Community Primary joining the trust. Each school within the trust also saw a significant increase in their pension deficit due to the recent revaluation exercise.

**DfE/EFA Capital Grants:** the trust received the following capital grants from the EFA in the year:

- Devolved Formula Capital funding of £28,453 for investment in buildings and ICT.
- Condition Improvement Funding of £84,516 for structural works at Whiston J&I

**Unrestricted Funds:** the academy trust generated £272,000 in funding. This includes rental income from caretaker properties, lettings income, contributions for school trips and insurance claims. The balance at 31 August 2016 was £579,000.

## Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Canklow Woods Primary	164	167
Dinnington Primary	(68)	-
Whiston J&I	109	92
Whiston Worrygoose J&I	90	60
Wickersley Northfield Primary	189	92
Central services	261	145
Total before fixed assets and pension reserve	745	556
Restricted fixed asset fund	23,101	20,676
Pension reserve	(4,609)	(2,173)
<b>Total</b>	<b>19,237</b>	<b>19,059</b>

Dinnington Primary School is carrying a net deficit of £68,000 on these funds due to high staffing/running costs.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 15 Funds (continued)

The trust is taking the following action to return this academy to surplus:

- Reducing running costs through effective procurement and collective bargaining
- Eliminating non-essential staffing costs
- Utilising centrally held funds to invest in resources

## Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000	Total 2015 £000
Canklow Woods Primary	802	163	91	273	1,329	1,220
Dinnington Primary	355	86	30	91	562	-
Whiston J&I	566	117	60	176	919	851
Whiston Worrygoose J&I	708	143	79	26	956	1,323
Wickersley Northfield Primary	1,195	232	90	302	1,819	1,374
Central services	35	13	1	116	165	107
<b>Academy Trust</b>	<b>3,661</b>	<b>754</b>	<b>351</b>	<b>984</b>	<b>5,750</b>	<b>4,875</b>

## 16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	23,012	23,012
Current assets	579	418	89	1,086
Current liabilities	-	(252)	-	(252)
Pension scheme liability	-	(4,609)	-	(4,609)
<b>Total net assets</b>	<b>579</b>	<b>(4,443)</b>	<b>23,101</b>	<b>19,237</b>

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 17 Central Services

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

- Legal services
- Insurance services
- Procurement of licences

The trust charges for these services on the following basis:

All schools within the trust contribute 3% of their baseline budget (excluding Pupil Premium, SEN and early years funding).

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Canklow Woods Primary	28	108
Dinnington Primary	11	-
Whiston J&I	24	23
Whiston Worrygoose J&I	24	26
Wickersley Northfield Primary	30	-
	<u>117</u>	<u>157</u>

In addition to the individual school contributions detailed above the trust also received:

- £3,000 contribution from each school to procure HR & payroll services (enabling the trust to achieve greater value for money)
- £80,000 School Capacity Grant to aid the expansion of the trust
- £22,500 contribution from Whiston Worrygoose J&I for Teaching School

At 31 August 2016 the trust held a surplus balance of £261,000 and this will be carried forward as a reserve for the benefit of the trust.

## 18 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	<u>86</u>	<u>160</u>

Capital commitments relate to structural works to be carried out at Whiston J&I. The work will be funded by Condition Improvement Funding from the EFA.



# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 19 Commitments under operating leases

### Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	17	13
Amounts due between one and five years	22	28
Amounts due after five years	-	1
	<u>38</u>	<u>42</u>

## 20 Reconciliation of net Income/(expenditure) to net cash flow from operating activities

	2016 £000	2015 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,951	6,905
Adjusted for:		
Depreciation [note 12]	443	384
Capital grants from DfE and other capital income	(113)	(401)
Interest receivable [note 5]	3	2
Assets donated on conversion	(2,621)	(7,428)
Cash donated on conversion	(26)	(45)
Defined benefit pension scheme obligation inherited [note 11]	555	667
Defined benefit pension scheme cost less contributions payable [note 26]	-	-
Defined benefit pension scheme finance cost [note 26]	108	73
(Increase)/decrease in debtors	63	(127)
Increase/(decrease) in creditors	32	14
<b>Net cash provided by / (used in) Operating Activities</b>	<u>395</u>	<u>44</u>

## 21 Cash flows from financing activities

	2016 £000	2015 £000
Cash inflows from new borrowing	(3)	(2)
<b>Net cash provided by / (used in) financing activities</b>	<u>(3)</u>	<u>(2)</u>

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 22 Cash flows from Investing activities

	2016 £000	2015 £000
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(292)	(525)
Capital grants from DfE/EFA	113	401
Capital funding received from sponsors and others	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(179)</b>	<b>(124)</b>

## 23 Cash transferred on conversion to academy trust

	At 31 August 2016 £000	At 31 August 2015 £000
Cash transferred on conversion	26	45
<b>Total cash and cash equivalents</b>	<b>26</b>	<b>45</b>

## 24 Analysis of cash and cash equivalents

	At 31 August 2016 £000	At 31 August 2015 £000
Cash in hand and at bank	833	594
<b>Total cash and cash equivalents</b>	<b>833</b>	<b>594</b>

## 25 Members liability

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

# **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

## **26 Pension and similar obligations**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Authority. Both are multi-employer defined benefit schemes

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions to the LGPS pension deficit amounting to £36,000 (2015: £35,000) were prepaid to the scheme at 31 August 2016 and are included within prepayments.

Contributions amounting to £13,000 were payable to the Teacher Pension Schemes and £18,000 was payable to the LGPS at 31 August 2016 (2015: £nil) and are included within creditors.

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

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

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

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 26 Pension and similar obligations (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £299,000 (2015: £221,000).

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

Under the definitions set out in FRS 102, the TPS is a 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £408,000 (2015: £343,000), of which employer's contributions totalled £323,000 (2015: £272,000) and employees' contributions totalled £85,000 (2015: £71,000). The agreed contribution rates for future years are 14.4% (Canklow Woods Primary), 14.2% (Whiston J&I), 15.6% (Whiston Worrygoose J&I), 15.2% (Wickersley Northfield Primary) and 11.4% (Dinnington Primary) for employers and 5.5% - 12.5% per cent for employees.

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

On conversion in September 2013 the Academy Trust inherited a pension deficit of £1,482,00 from South Yorkshire Pensions Authority. On joining the trust 1 November 2014 Wickersley Northfield Primary inherited a pension deficit of £667,000 and Dinnington Community Primary inherited a deficit of £555,000 on conversion 1 May 2016. The trust has entered into an agreement to make additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over 23 years.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 26 Pension and similar obligations (continued)

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.65%	4.05%
Rate of increase for pensions in payment/inflation	2.00%	2.30%
Discount rate for scheme liabilities	2.20%	4.03%
Inflation assumption (CPI)	1.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	25.4	25.3
Females	28.5	28.4
<i>Retiring in 20 years</i>		
Males	23.0	23.0
Females	25.7	25.6

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	1,350	909
Government Bonds	347	219
Other Bonds	143	91
Property	254	175
Cash/Liquidity	39	27
Other	178	108
<b>Total market value of assets</b>	<b>2,311</b>	<b>1,529</b>

The actual return on scheme assets was £348,000 (2015: £35,000)

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 26 Pension and similar obligations (continued)

### Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(323)	(272)
Net interest cost	(108)	(73)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(431)	(345)

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

	2016 £000	2015 £000
At 1 September	3,702	1,981
Upon conversion	-	-
Current service cost	341	272
Interest cost	158	123
Employee contributions	87	71
Actuarial (gain)/loss	2,044	118
Benefits paid	-1	-
Plan introductions, benefit changes, curtailments and settlements	589	1,137
At 31 August	6,920	3,702

### Changes in the fair value of academy's share of scheme assets:

	2016 £000	2015 £000
At 1 September	1,529	682
Upon conversion	-	-
Interest income	-	-
Return on plan assets (excluding net interest on the net defined pension liability)	71	50
Actuarial gain/(loss)	278	(11)
Employer contributions	320	272
Employee contributions	87	71
Benefits paid	(1)	-
Administration expenses	(7)	(5)
Plan introductions, benefit changes, curtailments and settlements	34	470
At 31 August	2,311	1,529

# **Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

## **27 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

John Henderson, Accounting Officer of the trust, is also a director of Learners First School Partnership. During the period Learners First School Partnership paid the trust £13,000 for the rental of training facilities and provision of catering (2015: £1,000 paid for training delivered).

During the year schools within the trust paid Learners First School Partnership £1,200 in annual subscription fees. Due to specialised nature of the services provided by Learners First School Partnership, schools are limited in how/where they can procure such services. Additionally, the trust paid Learners First £5,000 to provide support to the Teaching School.

Alan Richards, Julie Turner and Phil Marshall are all Directors of White Woods Primary Academy Trust and Learners First School Partnership.

## **28 Post Balance Sheet Events**

On 1 September 2016 Swinton Queen Primary School joined White Woods Primary Academy Trust.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 29 First time adoption of FRS102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		12,288	20,676
Employee benefits accrual	B		-
Total funds reported under FRS 102		12,288	20,676

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP		6,905
Change in recognition of LGPS interest cost	A	18
Employee benefits accrual	B	-
Net movement in funds reported under FRS 102		6,771

### A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debt to expense by £18,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

### B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. The trust did not judge the value of outstanding employee benefits to be material and no provision was made under FRS102.





# White Woods

## Primary Academy Trust

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The White Woods Primary Academy Trust was established in September 2013, the Trust consists of 13 primary schools throughout the Rotherham borough.

[www.whitewoodsprimaryacademytrust.co.uk](http://www.whitewoodsprimaryacademytrust.co.uk)

Email: [wwpatadmin@rgfl.org](mailto:wwpatadmin@rgfl.org)

01709 267019