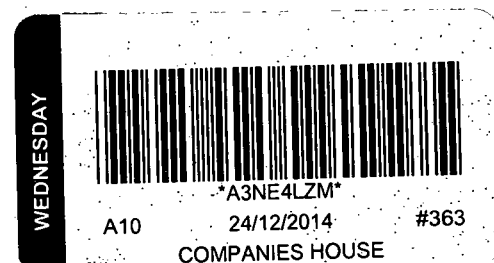


Whitecross Hereford
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2014



Company Registration Number:
07793019 (England and Wales)

Whitecross Hereford

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Whitecross Hereford

Reference and Administrative Details

Trustees	Role	Appointment (full year unless specified)
B Chave	Chairman	
L Rogers	Governor Vice Chairman and Chair of Resources Committee	
J Shuker	Governor Vice Chairman and Chair of Teaching & Curriculum Committee	
M Bryans	Staff Governor	
W Davies	Local Authority Governor	
P Foulkes	Additional Governor	Appointed May 2014
D Goodall	Staff Governor	
G Hughes	Parent Governor	Resigned May 2014
K Jesionkowska	Governor	Resigned May 2014
J Land	Parent Governor	Appointed July 2014
F Morris	Additional Governor	Appointed December 2013
R Morris	Staff Governor	
A Pritchard	Parent Governor	
K Shannon	Governor and Chair of Student Behaviour & Safety Committee	
C Thomas	Parent Governor	Appointed July 2014
D Strutt	Headteacher and Accounting Officer	
A Taylor	Parent Governor	
J Higgs	Company Secretary	
Senior Leadership Team		
D Strutt	Headteacher	
T Knapp	Deputy Headteacher	
R Patterson	Assistant Headteacher	
M Desborough	Assistant Headteacher	
K Horne	Assistant Headteacher	
Principal and Registered Office	Three Elms Road Hereford Herefordshire HR4 0RN	
Company Registration Number	07793019 (England and Wales)	
Independent Auditor	Bishop Fleming LLP Chartered Accountants 1-3 College Yard Worcester WR1 2LB	
Bankers	Lloyds Bank Plc 8 High Town Hereford HR1 2AE	
Solicitors	Harrison Clark Rickerbys LLP First Floor Suite Thorpe House 29 Broad Street Hereford HR4 9AR	

Whitecross Hereford Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 servicing a catchment area to the west of Hereford city. It has a pupil capacity of 900 and had a roll of 828 on the school census in May 2014.

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 Whitecross Hereford are also the directors of the charitable company for the purposes of company law. The charitable company is known as Whitecross Hereford; High School and Specialist Sports College.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Whitecross Hereford has Governors' liability insurance in place with Zurich Municipal. The current policy runs April 2014 to 31 March 2015; the limit of the indemnity insurance is £2,000,000.

Principal Activities

As defined in the Funding Agreement and Articles of Association the Academy Trust will provide a broad and balanced curriculum, with an emphasis on sports to students of all abilities up to the age of 16.

It will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wide community.

Method of Recruitment and Appointment or Election of Trustees

Eligibility to act as a Trustee and Governor of Whitecross Hereford is within the Constitutional Framework and Clauses 65 to 81 of the Articles of Association.

Trustees (Governors) are sought by election from the parent body (staff governors via the staff body) and co-opted from the local community dependent upon skill requirements.

Whitecross Hereford Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees (Governors) receive an induction pack and are provided with support from a more experienced Trustee. One of the Members has responsibility for induction and works with the Clerk to Governors to ensure that new Trustees access appropriate training courses. The Academy Trust is a member of the Herefordshire Governors' Association; which provides support and training for all Trustees. The Academy Trust also has a service level agreement with a provider of training and support recommended by the Herefordshire Governors' Association.

Organisational Structure

The Senior Leadership of the School consists of the Headteacher (Chief Executive), Deputy Headteacher and three Assistant Headteachers. Each has a specific responsibility linked to the Ofsted Framework: Behaviour and Safety, Teaching and Learning; Leadership and Management and Achievement. The Governing Body structure supports this structure with subcommittees as follows:

- Leadership and Management (made up of the Chairs of each committee)
- Teaching and Curriculum
- Student Behaviour and Safety
- Resources

Details of their areas of responsibility and the senior member of staff who support them are given below.

Committee	LG support	Policies / Responsibilities	Evidence
Full Board Clerk: Anna Nugent	Denise Strutt and others as required	Admissions (7 years); Instruments and Articles of Governance; Prospectus/ Website; Target Setting; Register of Interest (Clerk); Whistle Blowing; School Development Plan; Monitoring and Evaluation.	GCSE analysis; Student performance updates; SDP/ SEF External Audit Report
Leadership and Management Chair: Chair of Governors <u>Members:</u> Chairs of Committees	Denise Strutt / Tim Knapp	Staffing Structure Appraisal (annual) Pay Policy (Staff Handbook) Staff Capability Staff Disciplinary Managing Staff Absence Discretionary leave Equality (4 years) Publication of equality objectives (annually) Allegations of abuse against staff Central record of recruitment and vetting checks. Complaints	Staffing structure including TLR allowances Staff absence, Staff turnover. Performance Management (appraisal, progression, absence, conduct, performance) Single Central Record

Whitecross Hereford Trustees' Report (continued)

Committee	LG Support	Policies / Responsibilities	Evidence
Teaching (&Curriculum) Chair: Ann Pritchard <u>Members:</u> Ruth Morris Mel Bryans Amanda Taylor Keith Shannon Wendy Davies	Mark Desborough and Rob Patterson	Curriculum; Classroom Standards; Assessment & Marking Homework; Collective Worship; Sex Education ; Exam related protocols/guidance; Off-site provision; Independent Advice and Guidance.	Analysis of Lesson observations; Feedback from student voice (meetings with Head); Parent / Student Survey; Students educated off site and performance NEET figures.
Student Behaviour and Safety Chair: Keith Shannon <u>Members:</u> Amanda Taylor Deb Goodall (SEN) Brian Chave Jo Land Philip Foulkes	Katie Horne (In her absence Denise Strutt / Andy Leeming and others as required)	Behaviour for Learning and exclusion policy Anti-bullying Safeguarding and Child Protection Attendance Special Educational Needs Off site visits Home School Agreement Uniform <i>Community Cohesion</i> <i>Information Sharing Protocol</i> <i>Pupil Premium</i>	C3/ C4 and exclusion data. Attendance and absence data. Incidents of bullying Numbers on roll and variations Reported incidents – bullying and racial Parent / Student Survey Pupil premium usage
Resources Chair: Lewis Rogers Vice Chair: Vacancy <u>Members:</u> Brian Chave Wendy Davies (H&S) Fiona Morris	Julie Higgs, Tim Knapp / Denise Strutt	Financial Handbook Charging and Remission Emergency and Disaster Recovery Plan Data Protection (2 years) to include Publication of information scheme Health and Safety Policy Risk Register Access Plan (3 years)	Budget monitoring Disposal of assets Value for Money PFI Contract H&S report from external reviewer Responsible Officer report

Connected Organisations including Related Party Relationships

The Academy Trust works in partnership with our pyramid of primary schools and in particular Trinity Primary School and is part of the Wigmore Teaching School alliance. This enables us to access training and support and through this we have recruited two Schools Direct teachers and, in partnership with the University of Worcester are training three PGCE students. We also work with other High Schools in Herefordshire and have a strong link with The Cathedral School including a formal link with their Combined Cadet Force.

Through the 14 – 19 partnership agreements in Herefordshire we allow access to our Visual Communications GCSE course by students from other schools and in return some of our students join GCSE courses elsewhere currently Bishop of Hereford Bluecoat School.

We are a designated Sports College working in Partnership with the Youth Sport Trust as a gold, premier member. The Headteacher chairs the Local Organising Committee for the Herefordshire School Games and is a Headteacher Ambassador for the Trust.

Whitecross Hereford Trustees' Report (continued)

As part of Herefordshire's approach to School Improvement the Headteacher, in her role as Local Leader of Education, sits on the Herefordshire School Improvement Partnership Group. Through this the Headteacher may offer support to other Headteachers particularly those who are new in post.

The school was built under the Private Finance Initiative and therefore our facilities are managed by Integral with one subcontractor on site: Alliance in Partnership providing catering and Stepnell providing an ICT managed service.

Objectives and Activities

Objects and Aims

Our mission statement 'Excellence for all, excellence from all' will be delivered through our 'Core Commitment':

- ✓ Outstanding learning for all
- ✓ We are role models living our values
- ✓ The highest standards everywhere

Therefore we

- Believe everyone belongs and everyone matters
- Know good relationships focused on learning are vital to success
- Actively inspire and enthuse young people
- Believe every lesson and every moment at school matters
- Believe in overcoming barriers not making excuses
- Embrace feedback and value practice in the pursuit of excellence

So that our students

- Feel they belong
- Believe that by working hard they will improve
- Are motivated to achieve great things
- Recognise and realise their potential
- Care about the people around them
- Have outstanding levels of literacy and numeracy
- Make exceptional progress

Our Values

Respect, Perseverance, Trust, Love, Courage, Equality

Key objectives from the Funding Agreement:

- The school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- There will be an emphasis on the needs of the individual students including students with Special Education Needs (SEN), both those with and without statements of SEN;
- The curriculum provided by the Academy to students up to the age of 16 shall be broad and balanced with an emphasis in its secondary curriculum on sports.

Objectives, Strategies and Activities

Our priorities as detailed in our School Development Plan are:

- To be a school where our Core Commitment is a real and living embodiment of who we are
- To close the gap between our intentions in policy and the reality in practice
- To engage with parents to support student achievement
- To improve the progress ALL students make relative to their starting point and to raise levels of attainment where they are not yet outstanding
 - To improve standards of literacy and numeracy
 - To improve student attendance

Whitecross Hereford

Trustees' Report (continued)

- To be a school where all lessons are routinely good and the proportion of outstanding lessons is increased
- To be a school where all work is marked according to policy and key assessments are consistently used across the school to measure progress and identify intervention
- To be a school where students work hard in all lessons and know what to do to improve

Public Benefit:

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

Strategic Report

Achievements and Performance

Ofsted Report May 2013

"Achievement has improved and is good. From low starting points, students are now attaining at least in line with national averages."

"GCSE outcomes are improving, particularly in English. The number of students gaining five A- C grades, including English and mathematics, is close to the national average. This represents good achievement given students' below-average attainment levels when they enter the academy."*

Attainment

The 2014 cohort has a lower KS2 APS (27.3) compared to 2012 cohort (27.6) but has achieved similar results and in the case of three levels of progress has outperformed them. The results analysis is based on the best grades in the case of English and maths. This will not be the case for RAISE and the performance tables when they are published in December.

5ACEM 56% (47) National 60% gap is -4%

This is a very good result although Ofsted will have a 13% gap which is sig- (FFT D SE target was 55%) Excluding equivalent qualifications makes only 2% difference; which is a sign of the improving results across areas of the curriculum outside English and maths.

5AG 97% (97) National 95% gap is +2%

A good result in line with the national average

APS En 37.1 (best) National 38.8 gap is -1.7

This is a slight concern, possibly a feature of the relatively low number of A*/A grades

APS Ma 37.8 (best) National 38.8 gap is -1.0

This is close to the national average.

EBACC 22.9% Nearly double the 2013 figure

GCSE attainment thresholds by group:

	5ACEM	EBACC
Male	45.6%	20%
Female	62.9%	25.8%

A significant gap still exists between M and F for both thresholds

FSM 38% 20%

Whitecross Hereford Trustees' Report (continued)

Non FSM6 57% 23.6%

The gap has closed by nearly double. Even on first entry, the overall EBACC is 22% up from 13% in 2014. This is good.

Closing the gap

The gap between those who qualify for FSM6 and those who do not has closed in 2014.

	5ACEM	2013 National Non FSM	Gap
All	55%	67%	-12% (-25% in 2013)
FSM6	38%	67%	-29% (-55% in 2013)
Non FSM6	57%	67%	-10% (-19% in 2013)

	3LEN	National Non FSM	Gap
All	69%	74%	-5% (-15% in 2013)
FSM6	54%	74%	-20% (-24% in 2013) not a big change
Non FSM6	72%	74%	-2% (-13% in 2013) big change

The results are also an improvement on those of 2012 – although 'ever six' were not included in the FSM figure for 2012.

	3LMA	National Non FSM	Gap
All	68%	76%	-8% (-21% in 2013)
FSM6	56%	76%	-20% (-49% in 2013)
Non FSM6	70%	76%	-6% (-15% in 2013)

The results in 2014 are very similar to 2012 apart from FSM6; which has improved.

The FSM6 gap in English has not closed; the biggest improvement was with non FSM6. In maths FSM6 made more progress and the gap has closed significantly.

Progress

Sub Level Progress in English and maths (2012 school results in brackets) National results are for 2013

Sub level	3LEN%	National 3LEN%	3LMA	National 3LMA
3C	38 (33)	35	29 (0)	23
3B	45 (20)	52	57 (56)	40
3A	55 (83)	67	44 (69)	60
4C	50 (33)	48	50 (52)	58
4B	72 (50)	71	74 (83)	77
4A	87 (79)	87	91 (77)	91
5C	88 (70)	74	59 (50)	70
5B	83 (92)	92	100 (79)	88
5A	0 (0)	97	100 (100)	97
Total	69 (54)	69	68 (62)	70

Results for all sub level groups compare very favourably against 2013 national figures. Total figures for three levels of progress are good for both English and maths.

Whitecross Hereford Trustees' Report (continued)

Comparisons with 2012 result show strong progress with English 4C. Performance of 3A in both English and maths was lower than 2012 but numbers are small.

FFT D SE targets were 69% for both English and maths.

More able students

Students with Level 5C/5B at KS2 making four or more levels of progress

		National 2013
4LEN	20%	44%
4LMA	28%	45%

The percentage of students making more than expected progress in English is well below the national average and is lower than in 2013 (29%). In maths the figure is similar to 2013 but again lower than the national average.

The number of A*/A grades in English remains low at 7.9% compared to 12% nationally. In maths the figures are 12% and 18% respectively.

The total number of A*/A grades awarded across the school is 20% which compares very favourably with the national figure for 2014 of 21%.

SEN and EAL students

	5ACEM	2013	EBACC	2013
Statement (S)	33%	0	0	0
School Action (A)	0	9%	0	0
School Action Plus (P)	29%	0	14%	0

Numbers for these groups are low, several were entered for Entry Level English. School Action Plus students show improvement.

		2014	2013	National 2013
No SEN (160)	3LEN	72%	63%	76%
	3LMA	70%	59%	77%
S (6)	3LEN	17%	0	26%
	3LMA	40%	0	21%
A (7)	3LEN	33%	30%	53%
	3LMA	20%	30%	49%
P (6)	3LEN	80%	0	44%
	3LMA	75%	0	39%

The No SEN group has improved by 11% and is close to the national average for 2013. Other groups have performed well in making progress although the eligible students are low and the percentages only measure against eligible students.

School Action students made less progress in maths than in 2013.

		2014	2013	National 2013
EAL (18)	3LEN	78%	67%	77%
	3LMA	87%	86%	78%

Whitecross Hereford Trustees' Report (continued)

EAL students performed well although of the 18 students on roll, only 8 qualified for the progress measure therefore producing high figures.

Extra-Curricular Provision

There are an extensive range of activities outside of school hours and visits within school hours. During the last year students have had the opportunity to join the debating society, take part in music, dance or drama activities; join Science Club or attend theatre visits. Students have the opportunity to take part in an exchange with our partner school The Heritage School in Kolkata, India or to visit France and / or Spain as part of their languages course.

Our sports teams continue to be very successful – successes in 2013/14 included:

	Tournament/Competition	Result
Year 7 Girls	County Sportshall Athletics	Winners
	County Futsal	Winners
Year 7 Boys	Rugby County Tournament	Semi Finalists
	County Futsal	Finalists
	County Sportshall Athletics	Winners
	County Cricket Cup	Semi Finalists
Year 8 Girls	Regional School Competition	Winners
	National Schools Competition	Represented Cardiff City @ Etihad
Year 8 Boys	County Rugby Plate Competition	Winners
Year 9 Girls	County Futsal	Finalists
	County Hockey Tournament	Winners
	West of England Hockey Finals	Represented Herefordshire
	County Netball Tournament	Semi Finalists
Year 9 Boys	County Football league & Tournament	Winners
Year 10 Boys	County Football league & Tournament	Winners (4 th Consecutive)
	ESFA	4 th Round
	West Midlands Futsal Finals	Represented Herefordshire at U16 level
	ESAA (Athletics)	2 nd in Hereford and Worcestershire
Y11 Girls	County Futsal League	Finalists
	ESFA	4 th Round
Y11 Boys	County Futsal League	Winners
	West Midland Futsal league	Winners
	National Futsal Finals	Semi Finalists
	County Football League	Unbeaten
	ESFA	Last 64 in country
Overall	Wydenbach Cup	Winners – highest performing school in county at football in all ages.

Whitecross Hereford Trustees' Report (continued)

Individual success:

Y11	6 boys and 1 girl represented at county football 1 girl signed for West Brom 1 boy signed for Hereford United
Y10	2 girls signed for West Brom, 4 girls county football 1 national league hockey player 1 national trampoline
Y9	1 boy signed contract for West Brom – (now living in digs and attending academy) 1 boy represented West Mids for shot put & Hereford & Worcs for triple jump 1 boy in County Cricket team 4 boys playing at Hereford United 1 girl playing for Hereford Hockey
Y7	1 boy plays for Cheltenham

Key Financial Performance Indicators

The Headteacher and Trustees recognise their responsibility under the Companies Act 2006 to disclose the principal risks and uncertainties that it faces. They acknowledge that its ability to perform its principal activity to 'provide a broad and balanced curriculum , with an emphasis on sports, to students of all abilities up to the age of 16' is reliant upon receiving the agreed public funding via the General Annual Grant (GAG). They acknowledge that planned expenditure levels cannot exceed known income now or in the future and they prepare detailed budget plans for the current year and ensure robust internal financial monitoring. They are cognisant of the fact that a high proportion of funding goes to meet the salary bill and any forces influencing rising costs. For the reporting year teachers' pay as a % of GAG was 64% and overall staffing costs including classroom support and administration support amounted to 84%.

The Academy Trust has a defined benefit pension deficit of £1,203,000 regarding the Local Government Pension Scheme for non-teaching staff.

Going Concern

The Headteacher and Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for a period of twelve months from the approval of these accounts. For this reason it continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The Academy Trust receives the majority of its funding from the Education Funding Agency (EFA) in the form of recurrent grants paid on a monthly basis. The grants received during the financial year ending 31 August 2014 are shown as 'restricted funds' in the statement of financial activities.

The formula included £190,000 PFI credit which is paid directly to Herefordshire Council on a monthly basis.

The balance of the PFI charges ('relevant proportion') is funded through the formula pupil led factors.

The school also benefits from a Devolved Formula Grant (£18,541 received in June 2014), which it is able to use, with approval from the PFI landlord (Stepnell Limited), to enhance the buildings and environs. Some of this funding was used to purchase 9 aside football goals, additional classroom furniture for a More Able Students work area and increased storage in PE.

Whitecross Hereford Trustees' Report (continued)

Revenue expenditure for the year ending 31 August 2014 amounted to £4,685,658 which was less than the total income budget (EFA grant and other incoming resources). The excess of total revenue income over expenditure, excluding defined benefit pension scheme adjustments, for the period was £66,304.

Financial and Risk Management Objectives and Policies

Since conversion to academy status, the school has completed a thorough review of financial and risk management policies, practices and procedures. Through its service level agreement with Hoople Limited to provide accountancy and audit support, it benefits from a continuing internal audit check.

The Resources Committee works to agreed Terms of Reference which includes consideration and recommendation of the annual budget to full board and incorporates an annual review of financial policy and procedures.

The Trustees and Leadership Group have assessed the major risks to which the school is exposed.

The school has considered risks relating to specific teaching, provision of facilities and other operational areas of the school and its finances.

The Trustees and Headteacher completed a self-assessment of financial management and governance (FMGS) in April 2013. Confirmation that we have completed our Action Plan was made to the EFA in September 2014.

The Academy Trust has adequate insurance through Zurich Municipal to mitigate other financial risks.

Reserves Policy

The Academy Trust has a Reserves Policy, in line with EFA guidelines, to cover peaks and troughs in cash flow. It is currently working to a minimum value of £325,000 to cover the monthly salary bill, the monthly PFI recharges and non-domestic rates – this is considered to be the level of reserves needed to be held to maintain the operation of the Academy Trust at any one time. During the period September 2013 to August 2014 the school invested £250,000 on fixed term deposits earning interest of £1,807. Since July 2014 the school has put £325,000 on a 32-day Deposit Account.

Investment Policy

The Academy Trust has developed an Investment Policy that allows funds, identified as surplus to immediate requirements through cash flow monitoring, to be placed on short term no-risk deposit currently through Lloyds bank. If funds should increase sufficiently to consider longer term investment the advice of a suitably qualified agent would be sought. The Academy Trust will always ensure that its current account has sufficient funds to meet the monthly known outgoings.

Principal Risks and Uncertainties

The principal risks are around future student numbers and future government funding. The Academy Trust aims to set a balanced budget within the GAG but recognises the need to hold reserves to balance out dips in student numbers.

The school has good standing within the local community and continually promotes and markets itself through local media.

Whitecross Hereford Trustees' Report (continued)

The school recruited 194 students into Year 7 for September 2014 and will benefit from the changes in free transport provided to school aged children from September 2015 because it is the nearest school for a significantly increased number of students who currently attend other schools.

Plans for Future Periods

The Academy Trust will continue its relentless focus upon further improving students outcomes and ensuring that all groups of students make appropriate progress. The school's target is that all students make progress in line with the top 25% of schools nationally in order to transform their life chances.

The priorities in the School Development Plan for 2013-14 were clearly focused on ensuring quality in the classroom and reducing the risk of anything that hinders student progress. To this end the school will continue to focus on the professional development of its staff and making effective use of our appraisal policy to support and challenge where necessary.

Working closely with its pyramid of primary schools will be important in ensuring that Whitecross Hereford is the school of choice for students in the school's area, particularly in the light of the possible changes to transport arrangements.

The school's designation as a Sports College is important and the school will continue to ensure that it provides a lead in the County for quality physical education and school sport.


Auditor

Insofar as the Trustees are aware:

There is no relevant audit information of which the charitable company's auditor is unaware: and

The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



B Chave

Chair of Trustees

Whitecross Hereford

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whitecross Hereford and the Secretary of State for Education. The Headteacher is responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met 6 times during the year.

Attendance during the period of academy status at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
B Chave (Chairman)	6	6
L Rogers	5	6
J Shuker	1	6
M Bryans	6	6
W Davies	6	6
P Foulkes	1	2
D Goodall	6	6
G Hughes	2	6
K Jesionkowska	1	6
R Morris	6	6
F Morris	3	5
A Pritchard	6	6
K Shannon	2	6
D Strutt (Headteacher & Accounting Officer)	6	6
A Taylor	3	6

A skills audit (self-evaluation) was undertaken and reviewed in Autumn Term 2013 to gauge the breadth of experience of the Board of Trustees; this helped inform the recruitment of new governors during the year. The exercise will be repeated in Autumn Term to 2014.

In addition to the board meetings the Academy Trust has four sub committees that also met throughout the year. Attendance during the period of academy status at these meetings was as follows:

Whitecross Hereford Governance Statement (continued)

Leadership and Management Committee

Trustee	Meetings attended	Out of a possible
B Chave (Chairman)	2	3
L Rogers	3	3
J Shuker	0	3
K Shannon	3	3
D Strutt (Headteacher & Accounting Officer)	3	3

Teaching and Curriculum Committee

Trustee	Meetings attended	Out of a possible
J Shuker	2	4
M Bryans	3	4
W Davies	3	4
R Morris	4	4
A Pritchard	3	4
K Shannon	2	4
A Taylor	4	4

Student Behaviour and Safety Committee

Trustee	Meetings attended	Out of a possible
K Shannon	3	4
B Chave	2	4
D Goodall	4	4
K Jesionkowska	0	4
A Taylor	3	4

Resources Committee

Trustee	Meetings attended	Out of a possible
L Rogers	5	5
B Chave	4	5
W Davies	5	5
F Morris	4	5
G Hughes	2	5

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 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 and economically. The system of internal control has been in place in Whitecross Hereford for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Whitecross Hereford Governance Statement (continued)

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks, through the use of external accounting support and Responsible Officer function that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 Trustees;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint Hoople Limited as Responsible Officer to carry out internal checks.

Hoople Limited's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis the Responsible Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trustees can confirm that the Responsible Officer function is in place. The work plan for the year has included review of processes and policies for cashflow and bank reconciliation, payroll, purchasing, income, tenders and capital, VAT, petty cash and reporting. The Responsible Officer has visited the school five times during the year.

Review of Effectiveness

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

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


Whitecross Hereford Governance Statement (continued)

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

Approved by order of the members of the Board of Trustees on 1st December 2014 and signed on its behalf by:



B Chave
Chair of Trustees




D Strutt
Accounting Officer

Whitecross Hereford Statement on Regularity, Propriety and Compliance

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

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

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



D Strutt
Accounting Officer

1st December 2014

Whitecross Hereford Statement of Trustees' Responsibilities

The Trustees (who act as Governors of Whitecross Hereford and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and 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 the 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;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 1st December 2014 and signed on its behalf by:



B Chave
Chair of Trustees

Whitecross Hereford

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Whitecross Hereford

We have audited the financial statements of Whitecross Hereford for the Year Ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

Whitecross Hereford
Independent Auditor's Report on the Financial Statements to the
Board of Trustees of Whitecross Hereford (continued)

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1 – 3 College Yard

Worcester

WR1 2LB

Date: *1st December 2014.*

Whitecross Hereford

Independent Reporting Accountant's Assurance Report on Regularity to Whitecross Hereford and the Education Funding Agency

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

This report is made solely to Whitecross Hereford and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Whitecross Hereford 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 Whitecross Hereford and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WHITECROSS HEREFORD'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The Accounting Officer is responsible, under the requirements of Whitecross Hereford's funding agreement with the Secretary of State for Education dated 11 July 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

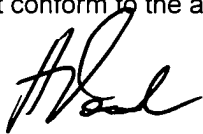
Whitecross Hereford Independent Reporting Accountant's Assurance Report on Regularity to Whitecross Hereford and the Education Funding Agency (continued)

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

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

CONCLUSION

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



Andrew Wood (Reporting Accountant)

For and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1 – 3 College Yard
Worcester
WR1 2LB

Date: *1st December 2014.*

Whitecross Hereford

Statement of Financial Activities for the Year Ended 31 August 2014 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generating funds:</i>						
Voluntary income	2	53,172	197,335	-	250,507	136,902
Activities for generating funds	3	1,428	2,915	-	4,343	21,424
Investment income	4	2,470	-	-	2,470	965
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	4,476,101	18,541	4,494,642	3,015,905
Total incoming resources		57,070	4,676,351	18,541	4,751,962	3,175,196
Resources expended						
<i>Amounts transferred on conversion</i>						
		-	-	-	-	654,961
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	4,661,262	1,159	4,662,421	3,044,825
Governance costs	8	-	23,237	-	23,237	14,661
Total resources expended		-	4,684,499	1,159	4,685,658	3,714,447
Net income/(expenditure) for the year		57,070	(8,148)	17,382	66,304	(539,251)
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	22	-	(68,000)	-	(68,000)	63,000
Net movement in funds		57,070	(76,148)	17,382	(1,696)	(476,251)
Reconciliation of funds						
Total funds brought forward at 1 September 2014	15	521,842	(1,012,848)	14,755	(476,251)	-
Total funds carried forward at 31 August 2014		578,912	(1,088,996)	32,137	(477,947)	476,251

All of the Academy Trust's activities derive from continuing operations during the financial period.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 26 to 41 form part of these financial statements.

Whitecross Hereford
Balance Sheet as at 31 August 2014

Company Number 07793019

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	12		10,428		2,275
Current assets					
Debtors	13	102,286		107,476	
Cash at bank and in hand		839,064		797,866	
		<u>941,350</u>		<u>905,342</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(226,725)		(264,868)	
Net current assets			<u>714,625</u>		<u>640,474</u>
Total assets less current liabilities			<u>725,053</u>		<u>642,749</u>
Pension scheme liability	22	(1,203,000)		(1,119,000)	
Net assets including pension liability			<u>(477,947)</u>		<u>(476,251)</u>
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	15	32,137		14,755	
General fund	15	114,004		106,152	
Pension reserve	15	(1,203,000)		(1,119,000)	
Total restricted funds			<u>(1,056,859)</u>		<u>(998,093)</u>
Unrestricted income funds					
General fund	15	578,912		521,842	
Total unrestricted funds					<u>521,842</u>
Total funds			<u>(477,947)</u>		<u>(476,251)</u>

The financial statements on pages 23 to 41 were approved by the Trustees, and authorised for issue on 1st December 2014 and are signed on their behalf by:



B Chave
Chair of Trustees



D Strutt
Accounting Officer / Headteacher

Whitecross Hereford
Cash Flow Statement for the Year Ended 31 August 2014

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	18	50,510	800,141
Capital expenditure	19	(9,312)	(2,275)
Increase in cash in the year	20	41,198	797,866
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		797,866	-
Net funds at 31 August 2014		839,064	797,866

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the accounting policies, which have been applied consistently, except where noted, is set out below.

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 one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount reflected as a balance in the restricted general fund. Capital grants are recognised in the periods in which they are receivable and any unspent amounts 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 is certainty of receipt and it is measurable.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Resources Expended

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

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1. Statement of Accounting Policies (continued)

- **Cost of Generating Funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £2,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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 their expected useful life, as follows:

▪ Furniture and equipment	10%
---------------------------	-----

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

A review of 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.

Leased Assets

Rentals under operating leases are charged on 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 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 chapter 3 part 11 of the Corporation Tax Act 2010 or

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1. Statement of Accounting Policies (continued)

Section 256 of the taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of the current and future pensionable payroll. The contributions are determined by the government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Herefordshire Council.

Investment income, gains and losses are allocated to the appropriate fund.

Whitecross Hereford
Notes to the Financial Statements for the Year Ended 31 August
2014 (continued)

2. Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Other donations	53,172	197,335	250,507	136,902
	<u>53,172</u>	<u>197,335</u>	<u>250,507</u>	<u>136,902</u>

3. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Hire of facilities	1,428	2,915	4,343	21,424
	<u>1,428</u>	<u>2,915</u>	<u>4,343</u>	<u>21,424</u>

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Short term deposits	2,470	-	2,470	965
	<u>2,470</u>	<u>-</u>	<u>2,470</u>	<u>965</u>

5. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
DfE / EFA grants				
General Annual Grant (GAG)	-	4,264,451	4,264,451	2,830,794
Capital Grants	-	18,541	18,541	7,819
Other DfE/EFA grants	-	187,362	187,362	119,539
	<u>-</u>	<u>4,470,354</u>	<u>4,470,354</u>	<u>2,958,152</u>
Other Government grants				
Local authority grants	-	16,038	16,038	46,453
Special educational projects	-	8,250	8,250	11,300
	<u>-</u>	<u>24,288</u>	<u>24,288</u>	<u>57,753</u>
	<u>-</u>	<u>4,494,642</u>	<u>4,494,642</u>	<u>3,015,905</u>

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7. Charitable Activities – Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Direct costs				
Teaching and educational support staff costs	-	3,220,940	3,220,940	2,117,332
Depreciation	-	1,159	1,159	-
Technology costs	-	15,478	15,478	8,321
Educational supplies	-	87,160	87,160	66,726
Examination fees	-	63,161	63,161	34,021
Staff development	-	7,875	7,875	3,968
Educational consultancy	-	38,621	38,621	26,578
Other direct costs*	-	75,875	75,875	28,821
Pension finance costs	-	43,000	43,000	33,000
	-	3,553,269	3,553,269	2,318,767
Support costs				
Support staff costs	-	312,799	312,799	190,956
Technology costs	-	64,077	64,077	19,874
Recruitment and support	-	3,931	3,931	7,227
Maintenance of premises and equipment	-	9,417	9,417	6,068
Cleaning	-	81,065	81,065	58,081
Rates	-	37,166	37,166	27,177
Energy costs	-	37,175	37,175	25,934
PFI Costs	-	347,362	347,362	245,672
Insurance	-	15,235	15,235	5,880
Security and transport	-	7,069	7,069	5,403
Catering	-	32,878	32,878	19,283
Other support costs	-	160,978	160,978	114,503
	-	1,109,152	1,109,152	726,058
	-	4,662,421	4,662,421	3,044,825

- Other direct costs for 2013 adjusted to move PFI Costs to separate line under Allocated support costs

8. Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	4,130	4,130	3,510
Auditor's remuneration	-			
Audit of financial statements	-	7,525	7,025	7,650
Other audit costs	-	7,000	7,500	500
Support staff costs	-	4,582	4,582	3,001
	-	23,237	23,237	14,661

Whitecross Hereford **Notes to the Financial Statements for the Year Ended 31 August** **2014 (continued)**

9. a. Staff Costs

Staff costs during the period were:

	2014	2013
	£	£
Wages and salaries	2,822,961	1,846,936
Social security costs	213,497	141,437
Pension costs	419,871	260,970
	3,456,329	2,249,343
Agency Teacher Costs	81,992	61,946
	3,538,321	2,311,289

b. Staff numbers

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

Charitable Activities

	2014	2013
	No.	No.
Teachers	48	52
Administration and support	33	36
Management	5	5
	86	93

c. Higher paid staff

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

	2014	2013
	No.	No.
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	2	2

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014, employer's pension contributions for these staff amounted to £21,693 (2013 £14,319).

10. Related Party Transactions – Trustees Remuneration & Expenses

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration was as follows:

D Strutt (Head Teacher/Accounting Officer)	£95,000 - £100,000
R Morris (Staff Trustee)	£45,000 - £50,000
M Bryans (Staff Trustee)	£45,000 - £50,000
D Goodall (Staff Trustee)	£15,000 - £20,000

During the period, no Trustees received reimbursement of expenses.

Other related party transactions involving the Trustees are set out in note 23.

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the Year Ended 31 August 2014 was £1,270.

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

12. Tangible Fixed Assets

	Furniture & Equipment £	Total £
Costs		
At 1 September 2013	2,275	2,275
Additions	9,312	9,312
At 31 August 2014	11,587	11,587
Depreciation		
At 1 September 2013	-	-
Charged in year	1,159	1,159
At 31 August 2014	1,159	1,159
Net book values		
At 1 September 2013	2,275	2,275
At 1 August 2014	10,428	10,428

Due to the PFI contract the Academy Trust has very few tangible fixed assets and acquisitions this year relate to PE equipment purchases and additional shelving for the equipment store. The Academy Trust owns two minibuses that are 10 and 13 years old and were therefore fully depreciated on conversion.

13. Debtors

	2014 £	2013 £
Trade debtors	-	995
VAT recoverable	44,158	21,025
Other debtors	1,415	19,230
Prepayments and accrued income	56,713	66,226
	102,286	107,476

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

14. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,987	2,068
Taxation and social security	62,040	64,394
Accruals and deferred income	111,252	94,468
Other creditors	51,446	103,938
	<u>226,725</u>	<u>264,868</u>
Deferred Income	2014	
	£	
Deferred income at 1 September 2013	41,787	
Resources deferred in the year	79,677	
Amounts released from previous years	(41,787)	
Deferred Income at 31 August 2014	<u>79,677</u>	

Income has been deferred based on the period to which it relates.

£21,931 has been deferred in relation to EFA rates relief and insurance credit, £11,958 in relation to Year 7 Catch Up Pupil Premium and £10,631 in relation to Devolved Formula Capital income. £13,883 has been deferred from the Sports Games Organiser grant and a further £21,274 has been deferred in relation to contributions towards school trips not yet taken.

15. Funds

	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	106,152	4,264,451	(4,256,599)	-	114,004
Local Authority Grants	-	16,038	(16,038)	-	-
Other DfE/EFA Grants	-	187,362	(187,362)	-	-
Other Grants/Donations	-	208,500	(208,500)	-	-
Pension reserve	(1,119,000)	-	(16,000)	(68,000)	(1,203,000)
	<u>(1,012,848)</u>	<u>4,676,351</u>	<u>(4,684,499)</u>	<u>(68,000)</u>	<u>(1,088,996)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	7,819	18,541	(1,159)	-	25,201
Local authority capital balance on conversion	6,936	-	-	-	6,936
	<u>14,755</u>	<u>18,541</u>	<u>(1,159)</u>	<u>-</u>	<u>32,137</u>
Total restricted funds	<u>(998,093)</u>	<u>4,694,893</u>	<u>(4,685,658)</u>	<u>(68,000)</u>	<u>(1,056,859)</u>
Unrestricted funds					
Unrestricted funds	521,842	57,070	-	-	578,912
Total unrestricted funds	<u>521,842</u>	<u>57,070</u>	<u>-</u>	<u>-</u>	<u>578,912</u>
Total funds	<u>(476,251)</u>	<u>4,751,962</u>	<u>(4,685,658)</u>	<u>(68,000)</u>	<u>(477,947)</u>

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

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

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Special Educational Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

Other grants - Income which has been received for specific purposes.

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

Fixed Asset Funds

Devolved Formula Capital - This represents funding from the EFA to cover the maintenance and purchase of the Academy Trust's assets.

16. Analysis of Net Assets between Funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £
Tangible fixed assets	-	-	10,428	10,428
Current assets	578,912	340,729	21,709	941,350
Current liabilities	-	(226,725)	-	(226,725)
Pension scheme liability	-	(1,203,000)	-	(1,203,000)
	578,912	(1,088,996)	32,137	(477,947)

17. Financial Commitments

Operating Leases

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

	Land & Buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Within one year	-	-	-	-
Between two and five years	-	-	18,860	18,861
After more than five years (PFI contract)	429,427	439,598	-	-

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2014 £	2013 £
Net incoming resources	(1,696)	(476,251)
Net assets transferred on conversion	-	654,961
Cash received on conversion	-	506,039
Depreciation	1,159	-
Defined benefit pension scheme adjustments	84,000	(42,000)
Decrease in debtors	5,190	(107,476)
Decrease in creditors	(38,143)	264,868
Net Cash Inflow from Operating Activities	50,510	800,141

19. Capital Expenditure and Financial Investment

Purchase of fixtures and fittings	(9,312)	(2,275)
Net cash inflow from capital expenditure and financial investment	(9,312)	(2,275)

20. Analysis of Changes in Net Funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	797,866	41,198	839,064
	<u>797,866</u>	<u>41,198</u>	<u>839,064</u>

21. 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.

22. 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 Worcestershire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £51,142 (2013:£29,875) were payable to the schemes at 31 August and are included within creditors.

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22. Pensions and Similar Obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the scheme (pensions in payment and the estimated costs of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Services Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22. Pensions and Similar Obligations (continued)

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design of a reformed TPS.

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £163,000, of which employer's contributions totalled £134,000 and employees' contributions totalled £29,000. The agreed contribution rate for future years is 17.5% per cent for employers and between 5.5% and 12.5% for employees depending on salary.

Whitecross Hereford

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22. Pensions and Similar Obligations (continued)

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 of Education. The guarantee came in to force on 18th July 2013.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6%	3.9%
Rate of increase for pensions in payment/inflation	2.1%	2.4%
Discount rate for scheme liabilities	3.9%	4.5%
Inflation assumption (CPI)	2.1%	2.4%
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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	23.3	22.5
Females	25.7	25.0
<i>Retiring in 20 years</i>		
Males	25.5	24.3
Females	28.0	27.0

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

	Expected return at 31 August 2014	Fair value at 31 August 2014	Expected return at 31 August 2013	Fair value at 31 August 2013
		£		£
Equities	7.0%	548,000	7.0%	207,000
Bonds	3.8%	39,000	4.4%	14,000
Cash/Liquidity	0.5%	7,000	0.5%	9,000
Total market value of assets		594,000		230,000
Present value of scheme liabilities				
- Funded		(1,797,000)	-	(1,349,000)
Surplus/(deficit) in the scheme		(1,203,000)	-	(1,119,000)

The actual return on scheme assets was £28,000 (2013:£7,000).

Whitecross Hereford **Notes to the Financial Statements for the Year Ended 31 August** **2014 (continued)**

22. Pensions and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2014	2013
	£	£
Current service cost (net of employee contributions)	107,000	65,000

Total operating charge	107,000	65,000
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Analysis of pension finance income/(costs)

Expected return on pension scheme assets	20,000	7,000
Interest on pension liabilities	(63,000)	(40,000)
Pension finance income/(costs)	(43,000)	(33,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £5,000 loss (2013:£63,000 gain).

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

	2014	2013
	£	£
At 1 September (January in 2013)	1,349,000	1,294,000
Current service cost	107,000	65,000
Interest cost	63,000	40,000
Employee contributions	29,000	17,000
Actuarial (gain)/loss	251,000	(49,000)
Benefits paid	(2,000)	(18,000)
At 31 August	1,797,000	1,349,000

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

	2014	2013
	£	£
At 1 September (January in 2013)	230,000	133,000
Expected return on assets	20,000	7,000
Actuarial gain/(loss)	183,000	14,000
Employer contributions	134,000	77,000
Employee contributions	29,000	17,000
Benefits paid	(2,000)	(18,000)
At 31 August	594,000	230,000

The estimated value of employer contributions for the year ended 31 August 2015 is £144,000.

Whitecross Hereford
Notes to the Financial Statements for the Year Ended 31 August
2014 (continued)

22. Pensions and Similar Obligations (continued)

The history of the experience adjustments is as follows:

	2014	2013
	£	£
Present value of defined benefit obligations	1,797,000	1,349,000
Fair value of share of scheme assets	(594,000)	(230,000)
Deficit in the scheme	<u>1,203,000</u>	<u>1,119,000</u>

23. Related Party Transactions

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.