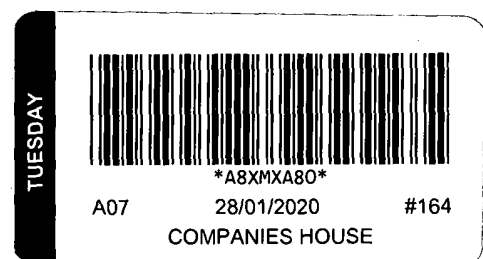


Company Registration Number: 07793019 (England & Wales)

WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

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**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Hales A Dowthwaite A Blackman
Trustees	M Hales, Chairman O Evans, Trustee R Hulse, Community Trustee J Woolley, Staff Trustee J Milsom, Parent Trustee A Douthwaite, Parent Trustee A Blackman, Vice Chair (resigned 30 June 2019) S Keswick, Staff Trustee A Fitt, Community Trustee T Knapp, Head Teacher & Accounting Officer C Thomas, Parent Trustee T Pitcher, Staff Trustee N Wrigley, Parent Trustee L Roberts, Trustee (appointed 3 June 2019)
Company registered number	07793019
Company name	Whitecross Hereford High School
Principal and registered office	Three Elms Road Hereford Herefordshire HR4 0RN
Company secretary	S Lusted
Accounting Officer	T Knapp
Senior management team	T Knapp, Head Teacher R Patterson, Deputy Head Teacher M Desborough, Deputy Head Teacher A Tootell, Assistant Head Teacher S Lusted, Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank Plc 8 High Town Hereford HR1 2AE

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Solicitors	Harrison Clark Rickerbys LLP First Floor Suite Thorpe House 29 Broad Street Hereford HR4 9AR
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**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Hereford. It has a pupil capacity of 945 and had a roll of 938 in the school census in May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a Trust 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 operates as Whitecross Hereford High School and Specialist Sport College.

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

Members' liability

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	%
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

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.

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

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

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

The Trustees and Board of Trustees have developed responsibility for day to day management of the academy to the Headteacher and the Senior Leadership Team (SLT).

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

The Senior Leadership of the School consists of the Headteacher, two Deputy Headteachers, one Assistant Headteacher and the School Business Manager. The Governing Body supports and challenges the Senior Leadership Team through the following subcommittee structure:

- Governor / SLT Briefing - Outcomes (made up of the Chairs of each committee)
- Quality of Education
- Behaviour and Attitudes, Personal Development
- Staff and Finance

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Business Manager, Staff and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the scheme of delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration, in respect of their role in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings and ratified by the Staff and Finance Committee.

Related Parties and other Connected Charities and Organisations

The Academy Trust works in partnership with local schools and is part of the Hereteach alliance. The school is a member of the Stourport Teaching Schools Network. In partnership with the University of Worcester we trained six PGCE students. We also have a strong link with The Cathedral School including a formal link with their Combined Cadet Force.

We retain the title of Sports College and work in partnership with the Youth Sport Trust as a gold, premier member. The Headteacher chairs the Local Organising Committee for the Herefordshire School Games, is a member of the Schools Forum and sits on the Hereford Safeguarding Children Board. The Business Manager is the Vice Chair for the Herefordshire Secondary Business Managers Association. 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. Whitecross @Stepnell provide an ICT managed service.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- 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;
- Recognise the importance of keeping children safe.

So that our students:

- Feel they are safe and that 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

- 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 ensure our curriculum meets the needs of all our students and best prepares them for life after school.
- To build our climate of mutual respect and impeccable conduct based on shared values.
- To develop young people who experience a rich and stimulating education that prepares them for life beyond school.

To fully realise the potential of the leaders in the school to influence the climate and culture.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Public Benefit

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

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interest of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The total number of students on roll (NOR) has increased beyond our forecast of 900. As a result of our popularity, the Academy has applied to the ESFA to increase its PAN to 189 pupils per year group. The Academy is heavily oversubscribed. There were 240 applicants for the 189 places available in Year 7.

Overall performance

The 2019 school performance tables show an overall Progress 8 value of -0.09. This is lower than predicted but remains an average figure. The four year trend for the school remains positive and year on year variation is very small. Attainment in both English and maths was broadly in line with national averages, although progress in English was well below expected. The performance of disadvantaged students was much lower than non-disadvantaged students but better than the national picture. Further work remains to increase the uptake of the EBacc.

Community cohesion

The school site is used by a range of community groups who arrange this directly with the PFI landlords. The school is committed to providing a wide range of community access through: Multi Faith Days inviting pupils from local primary schools, allowing non chargeable access for groups such as the trampolining club, encouraging and promoting community events including: the Indian Summer Fete, the Dog Show, Grandparents Days,

SEN support

Numbers of students with SEN has increased over time. The school now has 1.9% of students with an EHCP up from 0.7% in 2017. 14.6% of students are now SEN compared to the national picture of 10.3% This is in large measure due to the rising reputation of SEN provision at the school and our commitment to meeting the needs of all students. The school has committed to developing a mental health and wellbeing strategy that has attracted additional funding.

A broad and balanced curriculum with an emphasis on sports

The school offers a rich range of qualifications at KS4 which includes GCSE, BTEC, Technical Award, Creative iMedia. Uptake and performance in sport remains exceptional. All students have five hours of sport a fortnight with the exception of Y11 who have four hours. 52% of Y11 students studied a KS4 course linked to sport. Pass rates were outstanding: 78.9% of students entered achieved a L5-9 in GCSE PE. 73.2% of students entered achieved a L2 pass or above in BTEC Sport.

During the year Whitecross has added additional bicycle shelters, constructed 4 small additional meeting rooms, built an external glazed dining canopy to seat 90 students and has sourced an external serving pod, funded by the on-site Catering contractor AiP worth £26,000. Whitecross has also been awarded a grant of £11,300 towards funding a Thrive space and the required staff CPD.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Key Performance Indicators

Whitecross has maintained an in year balanced budget, resulting in a slightly higher surplus to carry forward due to additional Capital funding of £41,000.

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 48.98% and overall staffing costs including classroom support and administration support amounted to 79%. The Academy Trust has a defined benefit pension deficit of £2,224,000 regarding the Local Government Pension Scheme for non-teaching staff.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The formula included £278,200 PFI credit which is paid directly to Hereford County Council on a monthly basis.

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

The Academy also receives a grant of £19,000 for fixed assets from the DfE which is shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £5,252,118 and incurred total expenditure of £5,236,688. The excess of income over expenditure for the year was £15,431.

At 31 August 2019 the net book value of fixed assets was £120,098 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £400,000. The reason for this is to provide sufficient working capital to cover delays between spending on payroll, monthly PFI recharges, non-domestic rates and receipt of grants.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

The Academy Trust Investment policy 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 will always ensure that its current account has sufficient funds to meet the monthly outgoings. During the period of 1st September 2018 to 31st August 2019 the Academy put £335,676 on a 32 day Deposit Account earning £4,173.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 97.5% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

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

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the uncertainties of the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

FUNDRAISING

Fundraising is very low level and predominantly for supporting local charities chosen by the students and also to support the School Fund and the Student Prom. No fundraising occurs to supplement the Academy GAG from the ESFA. There have been no complaints received in 2018-19. All fundraising activities involving students is overseen by a responsible member of staff, occurring only with parental consent.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office, and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on _____ and signed on its behalf by:



M Hales
Trustee

5th 19

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

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 Head Teacher, 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 Whitecross Hereford and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Hales, Chairman	4	4
A Douthwaite, Parent Trustee	4	4
A Blackman, Vice Chair	2	4
O Evans, Trustee	3	4
A Fitt, Community Trustee	3	4
R Hulse, Community Trustee	2	4
C Thomas, Parent Trustee	4	4
N Wrigley, Parent Trustee	4	4
J Milsom, Parent Trustee	3	4
S Keswick, Staff Trustee	4	3
T Pitcher, Staff Trustee	4	2
L Roberts, Trustee	4	4
J Woolley, Staff Trustee	4	4

The Governor and SLT Briefing - Outcomes is a sub-committee of the main Board of Trustees. Its purpose is the School review and setting of subcommittee work load, review of the School Development Plan and Self Evaluation Statement, Ofsted readiness, Admissions Policy(7 years); Instruments and Articles of Governance; Prospectus/ Website; Target Setting; Register of Interest; Staffing Structure and Central record of recruitment and vetting checks.

Evidence of effectiveness - GCSE analysis; Student performance updates; School Development Plan; Self-Evaluation Form; External Audit Report; Trustees Report; Staffing structure including TLR allowances; Staff absence; Staff turnover; Performance Management (appraisal, progression, absence, conduct, performance); Single Central Record and CPD.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Marc Hales	4	5
Andrew Douthwaite	4	5
Andrew Blackman	3	5
Tim Knapp	5	5
Charlotte Thomas	3	5
Nigel Wrigley	5	5

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet annually to review internal financial control in order to mitigate risk and ratify the end of the financial year to ensure value for money.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Tim Knapp	1	1
Nigel Wrigley	1	1
Alistair Fitt	1	1
Andrew Blackman	1	1
Supported by Sue Lusted		

Evidence of effectiveness – Financial impropriety is negated, risk reduced with all matters of a financial nature being fully compliant with The Academies Financial Handbook.

The Teaching, Learning, Curriculum and Assessment Committee is a sub-committee of the main Board of Trustees. Its purpose is to support a broad and balanced curriculum; review the Classroom Expectations Policy, Assessment & Feedback Policy, Homework Policy, Collective Worship Policy, Sex Education Policy; review and support the exam related protocols/guidance, off-site Provision Policy and Y7 Literacy and Numeracy Catch up statement.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Douthwaite	4	4
Marc Hales	4	4
Timothy Pitcher	4	4
Joanne Woolley	4	4
Linda Roberts	1	1

Supported by Mark Desborough

Evidence of effectiveness - Analysis of lesson observations, feedback from student voice (meetings with Head); parent / Student Survey; students educated off site and performance and reduction in NEET.

The Personal Development Behaviour and Welfare Committee is a sub-committee of the main Board of Trustees. Its purpose is to review and support the Behaviour for Learning and exclusion Policy, Anti-bullying Policy, Safeguarding and Child Protection Policy, Attendance Policy, Special Educational Needs Policy, Off Site Visits Policy, Students with Medical Conditions Policy and Pupil Premium Strategy.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Oremi Evans	2	4
Ruth Hulse	4	4
Julie Milsom	3	4
Charlotte Thomas	4	4
Susan Keswick	4	4

Supported by Robert Patterson

Evidence of effectiveness - C3/ C4 and exclusion data, attendance and absence data, numbers on roll and variations, reported incidents – bullying and racial, parent / student survey, Pupil Premium usage, Services Premium usage and Catch up Premium usage.

The Staffing and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to adhere to the statutory directive outlined in the Financial Handbook, review and support the Charging and Remission Policy, Emergency and Disaster Recovery Plan, Data Protection Policy to include Publication of information scheme, Health and Safety Policy, Risk Register, Access Plan, Record Retention Scheme in line with the GDPR, CCTV code of practice, Staff absence Policy, Grievance Policy, Complaints Policy, Allegations of Abuse Policy, Local Government Pensions Policy, Capability Policy, Pay Policy, Charging and Remissions Policy, Equality Policy and Admissions Policy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Nigel Wrigley	2	4
Andrew Blackman	2	4
Alistair Fitt	3	4
Timothy Knapp	4	4

Supported by Timothy Knapp and Sue Lusted

Evidence of effectiveness – Regular budget monitoring and cash flow analysis, disposal of assets, best value, PFI Contract, H&S report from external reviewer, termly Responsible Officer reports, Spending or Pupil Premium and Catch Up Premium monitoring and analysis and adherence to GDPR.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Head Teacher 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 Trustees 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:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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 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 Whitecross Hereford for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Bishop Fleming LLP, the external auditor, to perform additional checks.

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 account reconciliations
- Testing of statutory conformance to the Academies Financial Handbook
- Testing of Capital purchase
- Testing of Value for Money

On a quarterly basis the Chair of Staffing and Finance Sub Committee reports to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- The work of the reviewer
- 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
- Challenge from Governors.

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

WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

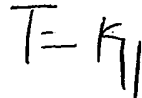
Approved by order of the Members of the Board of Trustees on

and signed on their behalf by:



M Hales
Chair of Trustees

15th 19



T Knapp
Accounting Officer

15th 19


**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

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 and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2019.

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 2019.

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


T Knapp
Accounting Officer
Date: 15/19

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

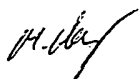
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



M Hales
Chair of Trustees

Date: 15th 19

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITECROSS HEREFORD**

OPINION

We have audited the financial statements of Whitecross Hereford (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

Conclusions relating to Going Concern

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

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

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITECROSS HEREFORD (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITECROSS HEREFORD (CONTINUED)
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

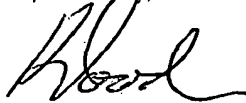
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



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:

5th December 2019

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
WHITECROSS HEREFORD AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whitecross Hereford during the year 1 September 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Whitecross Hereford and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Whitecross Hereford and ESFA, for our work, for this report, or for the conclusion we have formed.

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

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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 review 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.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
WHITECROSS HEREFORD AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

**Bishop Fleming LLP
1-3 College Yard
Worcester
WR1 2LB**

Date: *5th December 2019*

WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	14,636	155,426	64,083	234,145	170,656
Charitable activities		-	5,010,986	-	5,010,986	4,855,211
Other trading activities		2,813	-	-	2,813	3,916
Investments	7	4,174	-	-	4,174	825
TOTAL INCOME		21,623	5,166,412	64,083	5,252,118	5,030,608
EXPENDITURE ON:						
Charitable activities		15,950	5,213,464	7,273	5,236,688	5,156,009
TOTAL EXPENDITURE		15,950	5,213,464	7,273	5,236,687	5,156,009
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)						
		5,673	(47,052)	56,810	15,431	(125,401)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	23	-	(670,000)	-	(670,000)	322,000
NET MOVEMENT IN FUNDS		5,673	(717,052)	56,810	(654,569)	196,599
RECONCILIATION OF FUNDS:						
Total funds brought forward		471,502	(1,426,418)	85,733	(869,183)	(1,065,782)
Net movement in funds		5,673	(717,052)	56,810	(654,569)	196,599
TOTAL FUNDS CARRIED FORWARD		477,175	(2,143,470)	142,543	(1,523,752)	(869,183)

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

The notes on pages 28 to 50 form part of these financial statements.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	120,098	36,878
		<u>120,098</u>	<u>36,878</u>
CURRENT ASSETS			
Debtors	15	143,884	137,695
Cash at bank and in hand		790,969	783,316
		<u>934,853</u>	<u>921,011</u>
Creditors: amounts falling due within one year	16	(354,703)	(382,072)
NET CURRENT ASSETS		580,150	538,939
TOTAL ASSETS LESS CURRENT LIABILITIES		700,248	575,817
Defined benefit pension scheme liability	23	(2,224,000)	(1,445,000)
TOTAL NET ASSETS		(1,523,752)	(869,183)
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	18	142,543	85,733
General funds	18	80,530	18,582
		<u>223,073</u>	<u>104,315</u>
Restricted funds excluding pension asset	18	223,073	104,315
Pension reserve	18	(2,224,000)	(1,445,000)
Total restricted funds	18	(2,000,927)	(1,340,685)
Unrestricted income funds	18	477,175	471,502
TOTAL FUNDS		(1,523,752)	(869,183)

The financial statements on pages 25 to 50 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

M Hales
M Hales
Chair of Trustees

Date: 15/11/19.

T Knapp
T Knapp
Accounting Officer
15/11/19

The notes on pages 28 to 50 form part of these financial statements.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	20	29,890	(146,599)
CASH FLOWS FROM INVESTING ACTIVITIES	21	(22,237)	13,191
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		7,653	(133,408)
Cash and cash equivalents at the beginning of the year		783,316	916,724
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	790,969	783,316

The notes on pages 28 to 50 form part of these financial statements

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. GENERAL INFORMATION

Whitecross Hereford is a private company limited by guarantee, incorporated in the UK and registered in England and Wales. The registered office is Three Elms Road, Hereford, Herefordshire, HR4 0RN.

These financial statements cover the individual entity only. They are presented in £ and rounded to the nearest £.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Whitecross Hereford meets the definition of a public benefit entity under FRS 102.

2.2 FUND ACCOUNTING

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

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

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

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

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All incoming resources are recognised when the Academy 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 year is deducted from income and recognised as a liability.

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

- **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 year it is receivable and to the extent the Academy has provided the goods or services.

2.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.5 GOING CONCERN

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

2.6 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 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. 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight line and reducing balance basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Furniture and equipment	- 10% straight line
Motor vehicles	- 25% reducing balance

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.

2.8 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.9 DEBTORS

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

**WHITECROSS HEREFORD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.10 CASH AT BANK AND IN HAND

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

2.11 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 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.

2.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.13 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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2. ACCOUNTING POLICIES (continued)

2.14 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

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4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other donations	14,636	-	14,636	41,045
School fund	-	155,426	155,426	129,611
Capital Grants	-	64,083	64,083	-
TOTAL 2019	14,636	219,509	234,145	170,656
TOTAL 2018	41,045	129,611	170,656	

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA GRANTS			
General Annual Grant	4,723,056	4,723,056	4,562,666
Other DfE Group grants	213,695	213,695	238,834
Other government grants			
Other government grants	74,235	74,235	35,038
Other government grants: capital	-	-	18,673
TOTAL 2019	5,010,986	5,010,986	4,855,211

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	2,813	2,813	3,916
TOTAL 2019	2,813	2,813	3,916

All income from other trading activities related to the unrestricted fund in the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	4,174	4,174	825
TOTAL 2019	4,174	4,174	825

All investment income related to the unrestricted fund in the prior year.

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	3,530,298	7,273	460,969	3,998,540	3,949,020
Allocated support costs	395,241	611,693	231,214	1,238,148	1,206,989
	<u>3,925,539</u>	<u>618,966</u>	<u>692,183</u>	<u>5,236,688</u>	<u>5,156,009</u>
TOTAL 2018	3,811,615	608,903	735,491	5,156,009	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	<u>3,998,540</u>	<u>1,238,148</u>	<u>5,236,688</u>	<u>5,156,009</u>
TOTAL 2018	3,949,020	1,206,989	5,156,009	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension income	27,200	27,200
Staff costs	3,530,298	3,454,585
Depreciation	7,273	5,377
Educational supplies	141,625	123,717
Examination fees	66,243	58,844
Staff development	3,276	8,636
Other costs	71,011	91,957
Recruitment and support	150,902	177,975
Technology costs	712	729
	3,998,540	3,949,020

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	12,800	12,800
Staff costs	395,241	357,030
Other costs	13,682	19,638
Recruitment and support	8,732	17,391
Maintenance of premises and equipment	19,473	13,047
Rent and rates	34,832	38,890
Energy costs	32,933	39,051
Insurance	24,262	17,696
Security and transport	7,218	6,089
Catering	35,016	37,675
Technology costs	73,416	51,797
Office overheads	25,039	20,698
Legal and professional	11,384	37,214
PFI Charges	524,455	512,538
Educational consultancy	19,665	25,435
	1,238,148	1,206,989

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	19,531	33,166
Depreciation of tangible fixed assets	7,273	5,377
PFI charges	524,455	512,538
Fees paid to auditors for:		
- audit	10,450	10,200
- other services	3,830	3,830

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,973,637	2,804,349
Social security costs	297,581	277,229
Pension costs	622,928	563,566
	<u>3,894,146</u>	<u>3,645,144</u>
Agency staff costs	31,392	166,471
	<u>3,925,538</u>	<u>3,811,615</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	57	49
Educational support	61	56
Administrative and clerical	14	12
Management	5	5
	<u>137</u>	<u>122</u>

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team, as detailed 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 £321,674 (2018 - £373,204).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows; T Knapp: remuneration £85,000 - £90,000 (2018 - £80,000 - £85,000), employer's pension contributions £10,000 - £15,000 (2018 - £10,000 - £15,000); S Keswick: remuneration £10,000 - £15,000 (2018 - £15,000 - £20,000), employer's pension contributions £0 - £5,000 (2018 - £0 - £5,000); J Woolley: remuneration £30,000 - £35,000 (2018 - £25,000 - £30,000), employer's pension contributions £5,000 - £10,000 (2018 - £0 - £5,000); T Pitcher: remuneration £35,000 - £40,000 (2018 - £35,000 - £40,000), employer's pension contributions £5,000 - £10,000 (2018 - £5,000 - £10,000).

During the year ended 31 August 2019, expenses totalling £575 were reimbursed or paid directly to 2 Trustees (2018 - £NIL). The nature of the expenses were travel expenses.

13. 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 2019 was £24,262 (2018 - £17,696). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. TANGIBLE FIXED ASSETS

	Furniture and equipment £	Motor vehicles £	Total £
COST OR VALUATION			
At 1 September 2018	35,211	27,690	62,901
Additions	90,493	-	90,493
At 31 August 2019	125,704	27,690	153,394
DEPRECIATION			
At 1 September 2018	7,095	18,928	26,023
Charge for the year	5,083	2,190	7,273
At 31 August 2019	12,178	21,118	33,296
NET BOOK VALUE			
At 31 August 2019	113,526	6,572	120,098
At 31 August 2018	28,116	8,762	36,878

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	7,690	20,790
Prepayments and accrued income	77,557	80,921
VAT recoverable	58,637	35,984
	143,884	137,695

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**NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	19,803	-
Other taxation and social security	74,314	64,975
Other creditors	63,754	56,316
Accruals and deferred income	196,832	260,781
	<u>354,703</u>	<u>382,072</u>
	2019 £	2018 £
Deferred income at 1 September 2018	143,517	53,151
Resources deferred during the year	135,711	143,517
Amounts released from previous periods	(143,517)	(53,151)
	<u>135,711</u>	<u>143,517</u>

At the year end, £16,183 has been deferred in respect of Devolved Formula Capital income, £8,750 in respect of Year 7 Catch Up Pupil Premium, £20,540 in relation to ESFA Rates Credit, £67,295 has been deferred in respect of the Sports Games Organiser received in advance, £1,328 in relation to NCOP Careers Funding, £9,850 in relation to SFSF Projects, and £11,765 in relation to trips.

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	831,334	840,524
	<u>831,334</u>	<u>840,524</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(112,006)	(199,832)

Financial assets that are debt instruments measured at amortised cost comprise cash at bank, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS					
General Funds - all funds	471,502	21,623	(15,950)	-	477,175
RESTRICTED GENERAL FUNDS					
General Annual Grant	-	4,723,056	(4,665,632)	-	57,424
Pupil Premium	-	213,695	(213,695)	-	-
High Needs	-	74,235	(74,235)	-	-
Educational trips	18,582	155,426	(150,902)	-	23,106
Pension reserve	(1,445,000)	-	(109,000)	(670,000)	(2,224,000)
	<u>(1,426,418)</u>	<u>5,166,412</u>	<u>(5,213,464)</u>	<u>(670,000)</u>	<u>(2,143,470)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	81,177	63,483	(6,526)	-	138,134
Other	4,556	600	(747)	-	4,409
	<u>85,733</u>	<u>64,083</u>	<u>(7,273)</u>	<u>-</u>	<u>142,543</u>
TOTAL RESTRICTED FUNDS	<u>(1,340,685)</u>	<u>5,230,495</u>	<u>(5,220,737)</u>	<u>(670,000)</u>	<u>(2,000,927)</u>
TOTAL FUNDS	<u>(869,183)</u>	<u>5,252,118</u>	<u>(5,236,687)</u>	<u>(670,000)</u>	<u>(1,523,752)</u>

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

RESTRICTED FUNDS:

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

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

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

Educational trips - This represents funding received for specific educational trips.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

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

RESTRICTED FIXED ASSET FUNDS:

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

Other Capital grants - This represents capital grants received for specific capital projects.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**WHITECROSS HEREFORD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	494,890	45,786	(27,576)	(41,598)	-	471,502
RESTRICTED GENERAL FUNDS						
General Annual Grant	-	4,562,666	(4,604,264)	41,598	-	-
Pupil Premium	-	197,954	(197,954)	-	-	-
High Needs funding	-	52,118	(52,118)	-	-	-
Educational trips	48,891	129,611	(159,920)	-	-	18,582
PE & Sports grant	-	23,800	(23,800)	-	-	-
Pension reserve	(1,682,000)	-	(85,000)	-	322,000	(1,445,000)
	<u>(1,633,109)</u>	<u>4,966,149</u>	<u>(5,123,056)</u>	<u>41,598</u>	<u>322,000</u>	<u>(1,426,418)</u>
RESTRICTED FIXED ASSET FUNDS						
DfE / ESFA Capital grants	67,881	18,673	(5,377)	-	-	81,177
Other capital grants	4,556	-	-	-	-	4,556
	<u>72,437</u>	<u>18,673</u>	<u>(5,377)</u>	<u>-</u>	<u>-</u>	<u>85,733</u>
TOTAL RESTRICTED FUNDS	<u>(1,560,672)</u>	<u>4,984,822</u>	<u>(5,128,433)</u>	<u>41,598</u>	<u>322,000</u>	<u>(1,340,685)</u>
TOTAL FUNDS	<u>(1,065,782)</u>	<u>5,030,608</u>	<u>(5,156,009)</u>	<u>-</u>	<u>322,000</u>	<u>(869,183)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	120,098	120,098
Current assets	477,175	435,234	22,445	934,854
Creditors due within one year	-	(354,704)	-	(354,704)
Pension scheme liability	-	(2,224,000)	-	(2,224,000)
TOTAL	477,175	(2,143,470)	142,543	(1,523,752)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	36,878	36,878
Current assets	471,502	400,654	48,855	921,011
Creditors due within one year	-	(382,072)	-	(382,072)
Pension scheme liability	-	(1,445,000)	-	(1,445,000)
TOTAL	471,502	(1,426,418)	85,733	(869,183)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	15,431	(125,401)
ADJUSTMENTS FOR:		
Depreciation	7,273	5,377
Capital grants from DfE and other capital income	(64,083)	(18,673)
Interest receivable	(4,174)	(825)
Defined benefit pension scheme past service cost	43,000	-
Defined benefit pension scheme cost less contributions payable	26,000	45,000
Defined benefit pension scheme finance cost	40,000	40,000
Increase in debtors	(6,190)	(30,652)
Decrease in creditors	(27,367)	(61,425)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	29,890	(146,599)

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	4,173	825
Purchase of tangible fixed assets	(90,493)	(6,307)
Capital grants from DfE Group	64,083	18,673
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(22,237)	13,191

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	790,969	783,316
TOTAL CASH AND CASH EQUIVALENTS	790,969	783,316

23. PENSION COMMITMENTS

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

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £63,754 were payable to the schemes at 31 August 2019 (2018 - £56,179) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £176,271 (2018 - £341,025).

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 an unfunded multi-employer pension scheme. The Academy 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.

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23. PENSION COMMITMENTS (CONTINUED)

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 2019 was £215,000 (2018 - £202,000), of which employer's contributions totalled £177,000 (2018 - £167,000) and employees' contributions totalled £ 38,000 (2018 - £35,000). The agreed contribution rates for future years are 17 per cent 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.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment / inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	28.2	28.0

Sensitivity analysis

	2019 £000	2018 £000
Discount Rate +0.1%	(76)	(58)
Mortality Assumption - 1 Year Increase	74	56
CPI Rate +0.1%	78	59

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,364,000	1,303,000
Government bonds	144,000	135,000
Property	115,000	80,000
Cash and other liquid assets	56,000	36,000
Other	148,000	61,000
Other bonds	96,000	78,000
TOTAL MARKET VALUE OF ASSETS	1,923,000	1,693,000

The actual return on scheme assets was £77,000 (2018 - £100,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(203,000)	(212,000)
Past service cost	(43,000)	-
Interest income	48,000	35,000
Interest cost	(88,000)	(75,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(286,000)	(252,000)

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

	2019 £	2018 £
At 1 September	3,138,000	3,131,000
Current service cost	26,000	212,000
Interest cost	88,000	75,000
Employee contributions	38,000	35,000
Actuarial gains	697,000	(259,000)
Benefits paid	(60,000)	(56,000)
AT 31 AUGUST	3,927,000	3,138,000

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,693,000	1,449,000
Expected return on assets	50,000	37,000
Actuarial gains	27,000	63,000
Employer contributions	177,000	167,000
Employee contributions	38,000	35,000
Benefits paid	(60,000)	(56,000)
Administration fees	(2,000)	(2,000)
AT 31 AUGUST	1,923,000	1,693,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £	academy 2018 £
Not later than 1 year	4,567	19,529
Later than 1 year and not later than 5 years	634	6,461
Later than 5 years	114	114
	5,315	26,104

The academy trust has a financial commitment with the Local Authority in relation to PFI commitments of £5,275,176 (2018 - £5,714,775).

25. MEMBERS' LIABILITY

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

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FOR THE YEAR ENDED 31 AUGUST 2019**

26. RELATED PARTY TRANSACTIONS

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

Mrs F Wrigley, wife of Dr N Wrigley, a Trustee, is employed as a Higher Level Teaching Assistant. Mrs Wrigley's appointment was made in open competition and Dr Wrigley was not involved in the decision making process. Mrs Wrigley is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with Dr Wrigley.

There have been no other related party transactions in the year.