



**WHITE ROSE ACADEMIES TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

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**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

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

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**Members**

The Corporation of Leeds City College (Sponsor)  
C Booth OBE  
J Pither (from 22 June 2018)  
C Smith (until 22 June 2018)

**Directors**

C Smith, Chair (resigned 31 October 2018)<sup>2</sup>  
A Blackwell (resigned 31 August 2018)<sup>1,2</sup>  
C Booth OBE  
Cllr C Gruen  
E Hiorns  
J Pither, Chair<sup>1</sup>  
C Rix<sup>2</sup>  
Prof D Shickle<sup>2</sup>  
A Witchell (appointed 1 September 2017, resigned 23 October 2017)  
L Devenny (appointed 1 September 2018)  
P Morrissey (appointed 1 May 2018)  
D Strachan (appointed 1 October 2018)  
A Whitaker (appointed 4 October 2018)  
C Williams (appointed 1 February 2018)

<sup>1</sup> Audit committee

<sup>2</sup> Remuneration committee

**Company registered number**

07958615

**Company name**

White Rose Academies Trust

**Registered office**

College House, Park Lane, Leeds, LS3 1AA

**Principal operating office**

Intake Lane, Rodley, Leeds, LS13 1DQ

**Company secretary**

M Halstead

**Accounting officer**

A Whitaker

**WHITE ROSE ACADEMIES TRUST**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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***Advisers (continued)***

**Senior management team**

Executive Principal, A Whitaker (accounting officer)  
Director of Resources, S M Gidley - resigned June 2018  
Interim Chief Financial Officer, J Dunkerley - appointed June 2018  
Principal - Leeds West Academy, C Wilcocks  
Principal - Leeds East Academy, C Stokes - resigned March 2018  
Principal - Leeds East Academy, S Carrie - appointed March 2018  
Principal - Leeds City Academy, J Rose

**Independent auditors**

BHP LLP, New Chartford House, Centurion Way, Cleckheaton, BD19 3QB

**Bankers**

Lloyds Bank plc, Leeds City Centre Branch, PO Box 1000, Leeds, BX1 1LT

**Solicitors**

Rollits LLP, Wilberforce Court, High Street, Hull, HU1 1YJ

Irwin Mitchell, 2 Wellington Place, Leeds, LS1 4BZ

**Internal auditor**

Armstrong Watson Audit Limited, Fairview House, Victoria Place, Carlisle, CA1 1HP

## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

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

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The directors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

White Rose Academies Trust was incorporated on 21 February 2012 by Leeds City College and took control of Leeds City Academy, formerly City of Leeds School, a Local Authority maintained school, on 1 August 2014 at conversion to Academy status. On the 1 September 2014 Leeds West Academy and Leeds East Academy joined the Trust, transferring from E-ACT, a sponsor for a national chain of academies.

The academy trust operates three secondary academies for pupils aged 11 to 19 serving the Bramley, Seacroft and Woodhouse areas of Leeds. Its academies have a combined pupil capacity of 3,450 and had a total roll of 2,763 in the school census in October 2017.

#### *Structure, governance and management*

- **Constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The directors of White Rose Academies Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as White Rose Academies Trust.

Details of the directors who served during the period, and to the date these accounts are approved are included in the reference and administrative details on page 1.

- **Members' liability**

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

- **Directors' indemnities**

The academy trust has purchased cover to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. This is provided under the DfE's Risk Protection Arrangement.

## WHITE ROSE ACADEMIES TRUST

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

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#### ● Method of recruitment and appointment or election of directors

Directors are appointed to the board of the White Rose Academies Trust in accordance with the Memorandum and Articles of Association.

- Up to 10 directors, 7 of which to be appointed by the sponsor and the remainder to be appointed by the members.
- Chief Executive Officer (if any).
- Up to 3 Co-opted Directors appointed by the Directors
- 2 Parent Directors unless there are Local Governing Bodies or Accountability Boards which include at least two Parent Members.

Co-opted directors are persons appointed to be a director by being co-opted by directors who have not themselves been so appointed. The directors may not co-opt an employee of the company as a co-opted director if thereby the number of directors who are employees of the academy trust would exceed one third of the total number of directors including the Chief Executive Officer.

Parent directors and parent members of the local bodies shall be elected or appointed, in accordance with the terms of reference determined by the directors from time to time, by parents of registered pupils at one or more of the academies. A parent director must be a parent of a pupil at one of the academies at the time when they are elected and appointed. The directors shall make all necessary arrangements for, and determine all other matters relating to, an election of the parent directors or parent members of the local Bodies, including any question of whether a person is a parent of a registered student at one of the academies. Any election of the parent directors or parent members of the local bodies which is contested shall be held by secret ballot.

#### ● Policies and procedures adopted for the induction and training of directors

White Rose Academies Trust provides each new director with an induction pack and has an annual training programme to provide continuing development of the board members. The academy trust subscribes to the National Governors Association, which exists to provide support and training for school and academy leaders.

#### ● Organisational structure

The academy trust has defined the responsibilities of each person involved in the administration of the academies operations to avoid the duplication or omission of functions and to provide a framework of accountability for directors and staff. The reporting structure is illustrated below:

##### The Trust Board

The Trust Board has overall responsibility for the administration of the trust's operations. The main responsibilities of the Trust Board are prescribed in the Funding Agreement between the Trust and the Education and Skills Funding Agency (ESFA) and in the trust's scheme of governance.

The main responsibilities of the Trust Board include:

- ensuring that grant from the ESFA is used only for the purposes intended
  - approval of the annual budget
  - the regular monitoring of management accounts
  - appointment of the Accounting Officer
  - appointment of the Chief Financial Officer
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## WHITE ROSE ACADEMIES TRUST

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

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- appointment of the Principals
- ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the ESFA guidance issues to academies; and
- consideration of reports from the Audit Committee on the effectiveness of the financial procedures and controls

#### The Local Accountability Boards

A Local Accountability Board has been established for each academy in the Trust with the Chair of each Local Accountability Board being a Director on the Trust Board. The Local Accountability Boards Terms of Reference are:

- to monitor delivery of the core education vision;
- to monitor the admissions process;
- to set annual Academy performance targets;
- to assist in the recruitment of staff other than the Principal and Senior Post Holders;
- to agree and propose a draft budget for approval by the Trust Board;
- to implement and monitor policies with regard to staffing matters including performance management; and
- to oversee arrangements for director involvement in the Academy Development Plan and Academy Self Evaluations

#### The Accounting Officer (Executive Principal)

Within the framework of the Trust's Scheme of Delegation as approved by the Trust Board, the Accounting Officer has personal responsibility for:

- the propriety and regularity of the public finances for which they are answerable;
- the keeping of proper accounts;
- prudent and economical administration;
- the avoidance of waste and extravagance;
- ensuring value for money; and
- the efficient use of all resources in their charge

Much of the day to day financial responsibility has been delegated to the Chief Financial Officer (CFO) but the Accounting Officer still retains responsibility for:

- approving new staff appointments within the authorised establishment, except for any Senior Post Holders which the Trust Board have determined should be approved by them;
- authorising contracts between £50,000 and £100,000 in conjunction with the CFO;
- signing cheques in conjunction with other authorised signatories; and
- authorising electronic payments in conjunction with other authorised personnel

The Accounting Officer must advise the Board in writing, whether at any time, in their opinion, any action or policy under consideration by the Local Accountability Board is incompatible with the terms of the Academy's Funding Agreement or the Academies Financial Handbook.

#### The Chief Financial Officer

The Chief Financial Officer works in close collaboration with the Accounting Officer through whom they are responsible to the board.

The main responsibilities of the Chief Financial Officer are:

- the day to day management of financial issues including the establishment and operation of a suitable accounting system;
  - the management of the Trust's financial position at a strategic and operational level within the framework for financial control determined by the Trust Board;
  - the maintenance of effective systems of internal control;
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## WHITE ROSE ACADEMIES TRUST

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

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- ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the Trust;
- the preparation of monthly management accounts;
- ensuring forms and returns are sent to the ESFA in line with the timetable in the ESFA guidance; and
- additional roles, some of which are not directly finance related, as outlined in the Chief Financial Officer job description.

All staff are responsible for the security of Trust property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources, and for conformity with the requirements of the Trust's financial procedures.

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

The pay and remuneration of the senior management team was approved by the board with reference to headteacher pay ranges in the DfE's guidance on the school teachers pay and conditions document and market rates in the sector. The academy trust's remuneration committee met during the year to review the pay and remuneration of the senior management team.

#### • Equality and diversity policy and disabled employees

The directors recognise that equality of opportunity is an integral part of good practice within the workplace. The White Rose Academies Trust acknowledges the duty placed on it by the Equality Act 2010 and applies the following values, principles and standards to all employees, including disabled persons regarding consideration of applications for employment, the treatment of employees who become disabled and the training, career development and promotion of disabled persons:

- equality and social justice
- acknowledging and valuing diversity
- respect for others
- compliance with equality legislation
- elimination of all forms of prejudice and unfair discrimination
- active challenge to stereotypes, prejudiced attitudes and unfair discriminatory behaviour
- commitment to the positive development of all staff and directors
- accountability for compliance with this policy by all members of the academies, board members and others engaged in academy activities on behalf of the trust

#### Employee consultation

Employees are kept aware of developments within the trust through use of the Sharepoint IT system across the trust and by whole staff email announcements. Consultation is carried out via the local academy union representatives and in the Joint Consultative Council meetings with local employee and regional union representatives.



## WHITE ROSE ACADEMIES TRUST

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

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#### **Related parties and other connected charities and organisations**

The Corporation of Leeds City College (LCC) is the sponsor of White Rose Academies Trust. A number of LCC governors and employees are directors of the academy trust. During the year LCC provided corporate services to the academy trust, including an ITSS managed service and work experience coordination on a not for profit basis. The value of these services was £620,108 (2017: £324,995) and are detailed in note 25.

The increase in course fees relates to the following:

- all three academies now have a higher number of KS4 students than in previous years. Therefore, the percentage of students accessing the college provision is still the same year on year, but the total number of KS4 students in the trust is higher than ever before. The alternative provision is focused on:
  - supporting young people who struggle to access main stream school.
  - and for these students, it provides a clear pathway from KS4 into the FE provision at the College. Therefore, 100% of the students who access the College Alternative Provision, then go on to study at the college as post 16 students.

The role of the sponsor is to provide a governance framework to ensure the appropriate and effective operation of the Trust. The sponsor contributes by providing oversight in governance issues and challenge to the Trust executive.

#### **Objectives and Activities**

- **Objects and aims**

The principal object set out in our Articles of Association is:

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

In accordance with the Articles of Association, the academy trust has adopted "Governance Arrangements and a Scheme of Delegation". The Trust has adopted policies for its operations including, amongst other things, the basis for admitting students to the White Rose Academies Trust, and that the curriculum should comply with the substance of the national curriculum.

The main aims of the White Rose Academies Trust are summarised below;

- to provide outstanding education, principally in the city of Leeds and surrounding areas, for pupils of different abilities between the ages of 4 and 19 with an emphasis on particular specialisms;
- to ensure that every child enjoys the same safe, secure environment and high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of White Rose Academies Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain links with industry and commerce and the international community;

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

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- to conduct the White Rose Academies Trust business in accordance with the highest standards of integrity, probity and openness; and
- to provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the interest of improving the life of the said community.

- **Objectives, strategies and activities**

The White Rose Academies Trust's vision is to be an exceptional and responsive academy group providing life changing education, skills and experiences for individuals in our academies and in their communities.

Our objective is to prepare our learners for the next stage of their education or to move into the world of work so that they are successful in their chosen destination and realise their full potential.

The academies in the Trust use a number of initiatives to prepare students to be positive members of the community and for the world of work. These include Citizenship Theme Days, Immersion Curriculum Experience weeks, the Enhancement and Enrichment Programme, Step Up days and joint work with the Ahead Partnership.

- **Public benefit**

In setting our objectives and planning our activities, the directors have given careful consideration to the Charity Commission's general guidance on public benefit and confirm that they have complied with the guidance, in particular to its supplementary guidance on advancing education.

#### *Achievements and performance*

#### **STRATEGIC REPORT**

- **Key performance indicators**

During the year, the three academies in the trust have been building foundations for their journey to 'Outstanding'. The academic results of the academies for the year ended 31 August 2018 show improvement compared to last year and are summarised as follows:

#### **Leeds City Academy**

##### **Year 11**

For the third year in a row, summer results at Leeds City Academy improved. Of particular note is the fact that the academy achieved a progress 8 score of +0.18 (2017 P8 +0.08; 2016 P8 -0.38), against a citywide progress 8 performance average of -0.02.

The academy is pleased by the fact that each Year 11 student achieved a fifth of a GCSE grade more on average than other Leeds schools. The academy is proud to serve a student community whose average point score on entry was 17.9. This is 10 points lower than the national average and significantly lower than other Leeds schools and schools nationally.

A unique feature of the academy is the high proportion of students who enter the academy in Years 8, 9 and 10, the vast majority of which speak English as an additional language. This feature is further supported by the fact that over 70 languages are spoken at the academy.

## WHITE ROSE ACADEMIES TRUST

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

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#### Key strengths:

- Results for grade 4-9 in Core subjects have increased; English Language by 10%, English Literature by 8%, and Maths by 1%. This puts our English headline (the best of both) to 50% 4+, and 37% 5+; Maths to 55% 4+, and 33% 5+ respectively.
- Science results are above National comparators for science at 60% 4+ for LCA against 55% nationally for 4+.
- Other subjects that outperformed national comparisons were Art 88% 4+ compared to 75% nationally; and Citizenship, 71% 4+ compared to 65% nationally.
- Spanish as our key language, introduced last academic year with a cohort of students who sat it in one year, achieved 59% 5+, which was a notable achievement.
- Of particular note, one student in the academy achieved six grade 9's, in Biology, Chemistry, Physics, Maths, Geography, and Citizenship, plus also achieving an A level in Mathematics at Grade A.

#### Other key milestones include:

- Student numbers continue to grow with an increase from 454 students in October 2016 to 600 students on roll in September 2018.
- Attendance has improved from 92.8% in 2016 to 95.8% in October 2018.
- The relentless focus on improving Teaching and Learning is having a marked impact in classrooms where current research around memory recall, key knowledge and independent written work is now exemplified in lesson planning and day-to-day teaching.

The academy had an OFSTED inspection in May 2017 and was graded 'Requires Improvement', in line with the academy's own self-evaluation.

The Self Evaluation Form, which has been historically praised as very accurate in previous inspections, and external reviews, now evaluates the Academy as 'Good' in all areas, with Leadership and Management assessed as being 'Outstanding.' The strong Senior Leadership team and the rising trajectory of results, is a strong indicator of our continual journey towards becoming Outstanding. Leeds City Academy is looking forward to its next OFSTED inspection.

#### Leeds East Academy

##### Year 11

The academy has again achieved a positive progress 8 score of +0.02. Last academic year Leeds East Academy implemented a series of major changes to the Teaching and Learning strategy, which focused specifically on preparing students for exam success. Through the relentless efforts of all staff and students, Leeds East Academy continues to improve its key headline attainment measures when compared to the position in 2016-17. In the long term, this strategy promises deep sustained academic improvement rather than a short-term one off success and continues to build a bright future for the academy and all students who will sit examinations in the years to come. The successes in 2017-18 have been achieved despite the increased challenge and rigour of the new 9-1 GCSE specifications. For many of the academy's subject areas this was the first year of the new specifications so this has added an extra level of difficulty whilst preparing all students for success.

It is also pleasing to note the following, a positive progress 8 score in Maths +0.2 and the number of students achieving a grade 4-9 in Maths was 59%, which is in line with national average. In terms of attainment, 46% of students in the cohort achieved the basics (A\*-C incl. English & Math's) compared to 40% in 2016-17.

#### Key Strengths:

- Based on provisional data despite a Sig- APS on entry score of 26.9 (-1.8 compared to national) students have performed broadly in line with national.
  - In a number of key performance measures, there has been a continued improvement in results building on the successes of the last academic year.
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## WHITE ROSE ACADEMIES TRUST

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

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- English (52.9%) and Mathematics (59.5%) at 4+ (old C) results have reached the highest levels in the history of the academy. This is a pleasing success.
- The progress gap between PP/Non PP, Boys/Girls, EAL/Non EAL all closed considerably when compared to 2016/17. There is an improving 3-year trend evident when reviewing these areas.
- EAL students in the academy achieved an estimated positive progress 8 score of +0.85. This indicates that they achieved over three quarters of a grade better than their peers with the same prior attainment.
- The average grade achieved by students overall has remained equivalent to a grade 4/C despite the increased rigour of the new examination specifications. This maintains the improvement compared to an average of a grade D in 2015-16.
- 7% (9 students) of students achieved an Attainment 8 point score of 60+ points.
- Four students achieved the top grade of a 9 in a range of different subjects. These were in Maths, Spanish and Graphics. These results put these students in the top 1% of all students nationally in their subject.
- There were 74 individual results for students at grades 9-7/A\*-A. This prepares students well for the next stage of their lives.
- 11 subjects in the Academy continued to improve their performance when compared to the strong 2016/17 results.
- The attainment of the Open Basket has stood up well to the removal of the ECDL course. The ECDL course contributed significantly to the overall Open Basket score in 2016-17 and the strong score this year is testament to the work completed by the open basket subject teams across the year.

#### Leeds West Academy

##### Year 11

Leeds West Academy has secured improvement in both attainment and progress for the second year in succession. Despite the removal of a significant uplift in the Open Basket from ECDL this remained above the national figure; English and Maths Progress 8 improved demonstrably to register a final (unvalidated) Progress 8 score of -0.2. Predicted improvements in attainment were realised in English and Maths, improving by 5% in 9-4 (standard pass) and 4% 9-5 (strong pass). Against a tougher national picture and more challenging assessments across all subjects 18/24 subjects registered improvements in attainment.

##### Key Strengths:

- Despite a similar sig- APS on entry score to 16/17, (27.1 vs. 26.9), students have performed better this year than last.
- Attainment improvements were notable despite prior attainment data indicating that the APS on entry was significantly below national average (27.1)
- Middle and lower ability learners accounted for a higher proportion of the cohort and achieved a Progress Score in line with national expectations
- High ability learners represented a lower proportion of the cohort (30%) and sustained the improvement made in 2017, despite more challenging assessment, but is an ongoing area for continued improvement in the Strategy for Sustained Improvement, which is already reflected in predicted data for 2019.
- The proportion of students achieving a 'good' pass (grades 9-5) in both English and Maths has improved by 5%, to 27%.
- The proportion of students achieving a standard pass (grades 9-4) in both English and Maths has improved by 6%, to 50%.
- Progress in the English and Maths elements of Progress 8 have improved significantly.
- The proportion of students achieving a 'standard' pass in English has improved by 10%, compared with 2017. 62% of students achieved grades 9-4 in English (best of English Language and Literature).
- The proportion of students achieving a 'good' pass (grade 9-5) in English has improved by 5%, to 39%.
- Maths performance has improved by 3% at grades 9-4 and by 6% at grades 9-5.
- There has been an improvement in attainment (9-4) in 18 out of 28 comparable subjects. In 12 subjects, this

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

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improvement has been significant (greater than 10%).

- The proportion of Leeds West Academy students achieving the EBacc qualification (standard pass; 9-4) has increased to 13.4%, from 11% in 2017.
- In both basics measures (9-4 and 9-5), the gap between disadvantaged students and their peers (in-school gap) has closed in 2018, by 11% and 8% respectively.
- Overall, there were 124 grades awarded at Grades 9-7/A\*-A, and 55 Distinction/Distinction\* grades.

#### Leeds West Academy Post-16

- Year 13 Level 3 Value Added indicates that students have made progress above national average.
- A-level results are slightly below predictions, whereas Academic and Applied General have improved.
- In 12 of the 26 full A-Level or vocational equivalent qualifications, students have achieved a positive Level 3 Value Added score, indicating that their progress was above national average. These subjects are: Economics, Study Skills, Art and Design, Music, Dance, History, Sociology, English, Sports Studies, Persian and Chinese.
- A-level cohort attainment has improved in all measures when compared to last year but this is taken from a reduced cohort.
- The number and proportion of students achieving 3 strong passes (A\*-B or equivalent) has improved compared with 2017 outcomes. This is within the context of a less able Year 13 cohort.
- The Average Grade per A-Level Entry has improved from C- to a C.
- The overall average grade remains at a Grade C (including A-level and vocational equivalent qualifications).
- Notable success in History where the average grade has increased from grade C (2017) to grade A (2018)

- **Going concern**

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

#### *Financial review*

The majority of income for educational operations received by White Rose Academies Trust during the year was from the Department of Education (DfE) in the form of recurrent grants. The grants received to support the three academies in the Trust are restricted in their use to the purposes defined in the master funding agreement and deed of grant.

The White Rose Academies Trust also receives capital grants from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2018, total income was £19,412k (2017: £18,130k).

The operational surplus, excluding depreciation and pension liabilities, shown in the General fund has decreased by £805k in the year ended 31 August 2018 to £802k (2017: £1,110k) in the Restricted General fund and £45k (2017: £542k) in the Unrestricted General fund.

The net book value of tangible fixed assets at 31 August 2018 was £58,718k (2017: £59,758k).

As at the 31 August 2018 the trust had cash reserves and cash balances on deposit of £1,393k (2017: £2,346k).

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

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#### ● Reserves policy

The directors review the reserve levels of the White Rose Academies Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The unrestricted reserves at 31 August 2018 of £45k (2017: £542k) are freely available for general purposes. These will be expended in line with the strategic objectives of The White Rose Academies Trust.

Restricted funds of £802k (2017: £1,110k) include those designated for a particular purpose such as unspent start-up grants which are disclosed in note 18 to these accounts. These funds will be expended as required dependent upon the level of core funding over the next three years.

#### ● Investment policy

Investments must be made only in accordance with written procedures approved by the board. In balancing risk against return the policy of White Rose Academies Trust is geared to risk reduction. Investment decisions take account of cash flows required to cover financial commitments.

The trust's investments consist of term deposits in higher interest accounts with Lloyds Bank PLC. This particular form of investment was selected to provide a lower risk profile whilst generating additional income for the trust.

All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated. The information will normally be the date of purchase, the cost and description of the investment.

#### ● Principal risks and uncertainties

Risk is the threat that an event or action will adversely affect the academy trust's ability to achieve its objectives and to successfully execute its strategies. As such, risk management is an integral part of good governance and is a process whereby there is shared awareness and understanding within the academies of:

- the nature and extent of the risks it faces;
- the extent and categories of risks regarded as acceptable;
- the likelihood and potential impacts of the risks materialising;
- the ability to reduce the incidence and impact on the organisation of risks that do materialise;
- regular and on-going monitoring and reporting of risk including earning warning mechanisms;
- an appropriate assessment is made of the cost of operating particular controls relative to the benefit obtained in managing the related risk;
- the Trust conducts, termly, a review of the effectiveness of the system of internal control in place; and
- the Trust reports publicly on the results of the review, and explains the action it is taking to address any significant concerns that it has identified

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

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The Trust's system of internal control is part of its risk management process and has a key role to play in the management of significant risks to the fulfillment of its business objectives. It also contributes to the safeguarding of public funds and an academy's assets, and the promotion of best value. Internal control facilitates the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting, and assists compliance with laws and regulations.

The principal risks to the Trust are the growth in student numbers, particularly at Leeds City Academy, the closure of the Leeds West Sixth Form, and the impact of changes to the funding model with the introduction of a national funding formula.

#### *Fundraising*

The academy trust has not actively participated in fundraising practices in the financial year. However, the trustees are aware of the requirements of the Charities (Protection and Social Investment) Act 2016 in relation to fundraising practices.

#### *Plans for future periods*

- **Future developments**

The Trust will continue in its mission to improve the achievement levels of its students at all levels and will continue in its efforts to equip its students for the world of work or higher education, as appropriate for the individual.

The trust is building partnerships with other outstanding education establishments in the area with the avowed intent that the White Rose Academies Trust will be rated as outstanding by Ofsted criteria in two years.

#### **Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the directors.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Disclosure of information to auditors**

Insofar as the directors are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware, and
- that directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the academy trust's auditors are aware of that information.

The Directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 6/12/18 and signed on its behalf by:



**J Pither  
Chair of Trustees**



## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT

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#### *Scope of Responsibility*

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

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

#### *Governance*

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

Director	Meetings attended	Out of a possible
C Smith, Chair - resigned 31 October 2018	5	6
A Blackwell - resigned 31 August 2018	3	6
C Booth OBE	6	6
Cllr C Gruen	4	6
E Hiorns	5	6
J Pither, Chair	6	6
C Rix	6	6
Prof D Shickle	5	6
A Witchell - appointed 1 September 2017, resigned 23 October 2017	1	1
P Morrissey - appointed 1 May 2018	3	3
C Williams - appointed 1 February 2018	3	4

The board has undertaken a skills audit during the year. The results from this audit will be used to inform future recruitment in order to further strengthen governance of the Trust. The internal auditor has also carried out a review of Trust governance and reported that it is operating effectively.

The remuneration committee is a sub-committee of the main board of directors. Its purpose is to review the pay and remuneration of key management personnel

The committee membership consists of the chair of the board of directors, and the chair of each academy's local accountability board:

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Smith, Chair - resigned 31 October 2018	4	4
A Blackwell - resigned 31 August 2018	4	4
D Shickle	4	4
C Rix	3	4

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## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT (continued)

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The audit committee is also a sub-committee of the main board of directors. Its purpose is:

- to consider and advise the Board of Directors on the adequacy and effectiveness of the Trust's audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of assets;
- to advise the Board of Directors on the appointment, reappointment, dismissal and remuneration of the external auditors and the Internal Audit Service (IAS);
- to advise the Board of Directors on the scope and objectives of the work of the IAS and the external auditors;
- to ensure effective coordination between the IAS and the external auditors;
- to consider and advise the the Board of Directors on the audit strategy and annual audit plans;
- to advise the Board of Directors on internal audit assignment reports and annual reports and on control issues included in the reports of the external auditors, and the executive's responses to these;
- to monitor, within an agreed timescale, the implementation of agreed audit recommendations;
- to consider and advise the Board of Directors on relevant reports by the Education and Skills Funding Agency (ESFA), and where appropriate the executive's responses to these;
- to monitor the effectiveness of the Trust's auditors, including the use of relevant performance indicators;
- to ensure that any additional services undertaken by the Trust's auditors is compatible with audit independence and objectivity;
- to oversee the Trust's policy on fraud and irregularity and to ensure that all allegations of fraud and irregularity are properly followed up; and
- to consider and recommend the Trust's annual accounts to the Board of Directors for approval, including the statement of corporate governance and internal control.

The Audit Committee has the authority to investigate any activity within its terms of reference and the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit.

The Audit Committee will meet with the external auditor in the absence of the executive at least annually.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
A Blackwell - resigned 31 August 2018	2	3
J Pither	3	3
S Turner (co-opted) - resigned 31 August 2018	2	3

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

As Accounting Officer, the executive principal 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- ensuring that each academy undertook a value for money exercise, to identify savings and change suppliers where necessary. For example, Leeds West Academy implemented a new phone system, that is both more affordable and more efficient than the previous system.
  - ensuring that the trust reviewed its catering contracts and provision, which will see a new catering provider deliver
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## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

### GOVERNANCE STATEMENT (continued)

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this service from 1 April 2019. This service will be more affordable and more efficient.

- ensuring that the trust reviewed its cleaning contracts and has ensured that a new contractor began delivering this service in July 2018. The service is more affordable and delivers a better quality service.
- ensuring that the trust's performance management processes are more robust; creating an approach that ensures transformed academy performance and an equitable and fair structure for performance management pay awards.

#### *The Purpose of the System of Internal Control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in White Rose Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### *Capacity to Handle Risk*

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

#### *The Risk and Control Framework*

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

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

The board of directors has considered the need for a specific internal audit function and has decided to appoint Armstrong Watson Audit Limited as internal auditor.

The internal auditor'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:

- treasury management
- asset management
- budgeting
- forecast formulation

On a termly basis, the internal auditor reports to the board of directors through the audit committee on the operation of

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WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)**

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the systems of control and on the discharge of the board of directors' financial responsibilities.

The internal auditor delivered their programme of work as planned and confirmed there were no material control issues noted during the testing.

***Review of Effectiveness***

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of directors on 6/12/18 and signed on their behalf, by:



J Pither  
Chair of Trustees



A Whitaker  
Accounting Officer

**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**A Whitaker**  
**Accounting Officer**

**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

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

The directors 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 directors 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 directors 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 directors and signed on its behalf by:



**J Pither**  
Chair of Directors

Date: 6/12/18

## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE ROSE ACADEMIES TRUST

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#### Opinion

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

In our opinion the financial statements:

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

## WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE ROSE ACADEMIES TRUST

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#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



**WHITE ROSE ACADEMIES TRUST**

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WHITE ROSE ACADEMIES TRUST**

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In preparing the financial statements, the directors are responsible for assessing the academy trust'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 directors 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](http://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 directors, 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 directors 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.



Lesley Kendrew (Senior statutory auditor)

for and on behalf of

**BHP LLP, Statutory Auditor**

Chartered Accountants

New Chartford House

Centurion Way

Cleckheaton

BD19 3QB

Date:

11 December 2018

## **WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WHITE ROSE ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 7 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by White Rose Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of White Rose Academies Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of White Rose Academies Trust's funding agreement with the Secretary of State for Education dated 31 July 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

**WHITE ROSE ACADEMIES TRUST**

(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WHITE ROSE ACADEMIES TRUST  
AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

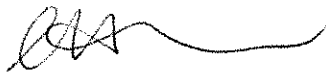
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The work undertaken to draw to our conclusion includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives,
- checking that the governors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions,
- checking that any related party transactions during the period are conducted at normal commercial rates,
- checking that academy trust expenditure is permitted by its funding agreement,
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook,
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook.

**Conclusion**

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



Lesley Kendrew  
Reporting Accountant

**BHP LLP**

Chartered Accountants and Reporting Accountants

New Chartford House  
Centurion Way  
Cleckheaton  
BD19 3QB

Date: 11 December 2018

WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>Income from:</b>						
Donations and capital grants	2	-	1	54	55	502
Charitable activities	3	-	18,804	-	18,804	17,055
Other trading activities	4	545	-	-	545	559
Bank interest	5	8	-	-	8	14
<b>Total income</b>		<b>553</b>	<b>18,805</b>	<b>54</b>	<b>19,412</b>	<b>18,130</b>
<b>Expenditure on:</b>						
Raising funds		30	-	-	30	36
Charitable activities		686	19,417	1,829	21,932	20,504
<b>Total expenditure</b>	6	<b>716</b>	<b>19,417</b>	<b>1,829</b>	<b>21,962</b>	<b>20,540</b>
<b>Net expenditure before transfers</b>		<b>(163)</b>	<b>(612)</b>	<b>(1,775)</b>	<b>(2,550)</b>	<b>(2,410)</b>
Transfers between Funds	18	(334)	(146)	480	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(497)</b>	<b>(758)</b>	<b>(1,295)</b>	<b>(2,550)</b>	<b>(2,410)</b>
Actuarial gains /(losses) on defined benefit pension schemes	22	-	973	-	973	2,738
<b>Net movement in funds</b>		<b>(497)</b>	<b>215</b>	<b>(1,295)</b>	<b>(1,577)</b>	<b>328</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		542	(2,372)	60,305	58,475	58,147
<b>Total funds carried forward</b>		<b>45</b>	<b>(2,157)</b>	<b>59,010</b>	<b>56,898</b>	<b>58,475</b>

WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)  
REGISTERED NUMBER: 07958615

BALANCE SHEET  
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
<b>Fixed assets</b>				
Intangible assets	13		17	39
Tangible assets	14		58,718	59,758
			<u>58,735</u>	<u>59,797</u>
<b>Current assets</b>				
Debtors	15	817		975
Cash at bank and in hand		1,393		2,346
		<u>2,210</u>		<u>3,321</u>
<b>Creditors: amounts falling due within one year</b>	16	<b>(1,053)</b>		<b>(1,139)</b>
			<u>1,157</u>	<u>2,182</u>
<b>Net current assets</b>			<b>1,157</b>	<b>2,182</b>
<b>Total assets less current liabilities</b>			<b>59,892</b>	<b>61,979</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<b>(35)</b>		<b>(22)</b>
			<u>59,857</u>	<u>61,957</u>
<b>Net assets excluding pension scheme liabilities</b>			<b>59,857</b>	<b>61,957</b>
Defined benefit pension scheme liability	22	(2,959)		(3,482)
			<u>56,898</u>	<u>58,475</u>
<b>Net assets including pension scheme liabilities</b>			<b>56,898</b>	<b>58,475</b>
<b>Funds of the academy trust</b>				
Restricted income funds:				
Restricted income funds	18	802		1,110
Restricted fixed asset funds	18	59,010		60,305
		<u>59,812</u>		<u>61,415</u>
Restricted income funds excluding pension liability				
Pension reserve		(2,959)		(3,482)
			<u>56,853</u>	<u>57,933</u>
Total restricted income funds			<b>56,853</b>	<b>57,933</b>
Unrestricted income funds	18		45	542
			<u>56,898</u>	<u>58,475</u>
<b>Total funds</b>			<b>56,898</b>	<b>58,475</b>

**WHITE ROSE ACADEMIES TRUST**

**(A company limited by guarantee)**

**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 26 to 56 were approved by the directors, and authorised for issue, on 6/12/18 and are signed on their behalf, by:



**J Pither**  
**Chair of Trustees**

WHITE ROSE ACADEMIES TRUST

(A company limited by guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018

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	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<u>(142)</u>	<u>(780)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		8	14
Purchase of tangible fixed assets		(873)	(617)
Capital grants from DfE Group		54	501
Purchase of intangible fixed assets		-	(17)
<b>Net cash used in investing activities</b>		<u>(811)</u>	<u>(119)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(953)</b>	<b>(899)</b>
Cash and cash equivalents brought forward		<u>2,346</u>	<u>3,245</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,393</u></u>	<u><u>2,346</u></u>

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

The directors 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 trust to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.



WHITE ROSE ACADEMIES TRUST

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

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1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income 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 incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

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

## WHITE ROSE ACADEMIES TRUST

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

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#### 1. Accounting policies (continued)

In accordance with FRS102 when a long term lease has been entered into by White Rose Academies Trust it is included, following the fair valuation of the land and buildings, in the appropriate fixed asset category and depreciated over its useful economic life in accordance with the trust's accounting policy regarding tangible fixed assets.

The leasehold property was last valued as at April 2015 by Cushman Wakefield (formerly DTZ), who are RICS registered valuers and are independent of the trust. The valuation was prepared in accordance with International Financial Reporting Standards (IFRS). Under VS 1.9 and UKVS 4.3 of the RICS Valuation – Professional Standards, the valuation constitutes a Regulated Purpose Valuation.

#### 1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

#### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	33% straight line basis
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1. Accounting policies (continued)

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land and buildings	-	2% straight line basis
Furniture and equipment	-	20% straight line basis
Motor vehicles	-	20% straight line basis
Computer hardware	-	33% straight line basis

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

**1.7 Operating leases**

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

**1.8 Liabilities and provisions**

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

## WHITE ROSE ACADEMIES TRUST

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

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#### 1. Accounting policies (continued)

##### 1.9 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

*Cash at bank* - is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

##### 1.10 Taxation

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

##### 1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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1. Accounting policies (continued)

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

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

**1.12 Fund accounting**

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

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

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

## WHITE ROSE ACADEMIES TRUST

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

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#### 1. Accounting policies (continued)

##### 1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	-	1	-	1	1
Capital Grants	-	-	54	54	501
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	1	54	55	502
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	-	1	501	502	
	<hr/>	<hr/>	<hr/>	<hr/>	

WHITE ROSE ACADEMIES TRUST

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

3. Funding for Academy Trust's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	15,792	15,792	15,230
Start up Grants	-	10	10	36
Other DfE/ESFA grants	-	2,730	2,730	1,413
	-	18,532	18,532	16,679
<b>Other government grants</b>				
Local authority grants	-	46	46	173
SEN FFI funding	-	225	225	196
PGCE funding	-	-	-	2
	-	271	271	371
<b>Other funding</b>				
Other income from the academy trust's educational operations	-	1	1	5
	-	1	1	5
	-	18,804	18,804	17,055
Total 2017	-	17,055	17,055	

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NOTES TO THE FINANCIAL STATEMENTS  
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4. Other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	35	-	35	108
Catering	390	-	390	360
School productions	-	-	-	7
Trip income	116	-	116	51
Insurance claims	-	-	-	1
Other income	4	-	4	32
	<u>545</u>	<u>-</u>	<u>545</u>	<u>559</u>
Total 2017	<u>559</u>	<u>-</u>	<u>559</u>	

5. Bank interest

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short term bank deposits	8	-	8	14
	<u>8</u>	<u>-</u>	<u>8</u>	<u>14</u>
Total 2017	<u>14</u>	<u>-</u>	<u>14</u>	



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NOTES TO THE FINANCIAL STATEMENTS  
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6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading					
Direct costs	16	14	-	30	36
Support costs	-	-	-	-	-
Education:					
Direct costs	12,092	-	4,751	16,843	15,698
Support costs	2,448	1,339	1,302	5,089	4,806
	<u>14,556</u>	<u>1,353</u>	<u>6,053</u>	<u>21,962</u>	<u>20,540</u>
Total 2017	<u>13,746</u>	<u>3,043</u>	<u>3,751</u>	<u>20,540</u>	

7. Analysis of expenditure by activities

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Education	<u>16,843</u>	<u>5,089</u>	<u>21,932</u>	<u>20,504</u>
Total 2017	<u>15,698</u>	<u>4,806</u>	<u>20,504</u>	

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education £000	Total 2018 £000	Total 2017 £000
Staff costs	2,243	2,243	2,099
Depreciation	10	10	10
Other costs	1,391	1,391	1,391
Maintenance of premises and equipment	1,263	1,263	1,161
Technology costs	160	160	128
Governance costs	22	22	17
	<u>5,089</u>	<u>5,089</u>	<u>4,806</u>
At 31 August 2017	<u>4,806</u>	<u>4,806</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets: - owned by the charity	1,807	1,845
Amortisation of intangible fixed assets	22	23
Fees payable to auditor for: Statutory audit	9	9
Fees payable to auditor for: Other assurance services	2	2
Fees payable to auditor for: Other services	3	3
	<u>1,843</u>	<u>1,882</u>

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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	10,983	9,759
Social security costs	1,074	958
Operating costs of defined benefit pension schemes	2,049	1,954
	<hr/>	<hr/>
	14,106	12,671
Agency staff costs	325	899
Staff restructuring costs	125	176
	<hr/>	<hr/>
	14,556	13,746
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	24	2
Severance payments	101	176
	<hr/>	<hr/>
	125	178
	<hr/> <hr/>	<hr/> <hr/>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £101,285 (2017 - £175,552). Individually, the payments were: £15,000, £12,600, £5,085, £9,000, £10,000, £10,000, £14,000, £5,600 and £20,000.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	211	168
Administration and support	157	150
Management	5	5
	<hr/>	<hr/>
	373	323
	<hr/> <hr/>	<hr/> <hr/>

WHITE ROSE ACADEMIES TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
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9. Staff costs (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	4	1
In the band £ 70,001 - £ 80,000	3	4
In the band £ 80,001 - £ 90,000	1	2
In the band £ 90,001 - £100,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

e. Key management personnel

The key management personnel of the academy trust comprise the directors and senior management team listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust during the period was £680,300 (2017 - £570,882).

10. Central services

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

- financial services
- legal services
- educational support services

The academy trust charges for these services on the following basis:

- flat percentage of 5% of GAG income

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Leeds City Academy	230	196
Leeds East Academy	239	218
Leeds West Academy	362	349
Total	<u>831</u>	<u>763</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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11. Directors' remuneration and expenses

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

		2018 £000	2017 £000
A Whitaker (Executive principal)	Remuneration	120-125	115-120
	Pension contributions paid	15-20	20-25

During the year, no directors received any benefits in kind (2017 - £NIL).

During the year, travel and subsistence expenses totalling £nil was reimbursed or paid directly to the directors (2017 - £471 to 1 director).

12. Directors' and Officers' Insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the costs for the period ended 31 August 2018 is not separable as the RPA charge is based on student numbers. The cost of this insurance is included in the total insurance cost.

13. Intangible fixed assets

	Computer software £000
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	74
<b>Amortisation</b>	
At 1 September 2017	35
Charge for the year	22
At 31 August 2018	57
<b>Carrying amount</b>	
At 31 August 2018	17
At 31 August 2017	39

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NOTES TO THE FINANCIAL STATEMENTS  
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14. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Motor vehicles £000	Computer hardware £000	Total £000
<b>Cost</b>					
At 1 September 2017	62,360	2,510	52	1,186	66,108
Additions	-	722	-	151	873
Disposals	(106)	-	-	-	(106)
At 31 August 2018	62,254	3,232	52	1,337	66,875
<b>Depreciation</b>					
At 1 September 2017	3,588	1,745	21	996	6,350
Charge for the year	1,245	418	10	134	1,807
At 31 August 2018	4,833	2,163	31	1,130	8,157
<b>Net book value</b>					
At 31 August 2018	57,421	1,069	21	207	58,718
At 31 August 2017	58,772	765	31	190	59,758

**Revaluations**

The leasehold property class of fixed assets was independently revalued on 1 April 2015 at £62,254,000 on an existing use basis. The class of assets has a historical cost of £55,696,000 (2017 - £55,696,000). The depreciation on this historical cost is £4,470,000 (2017 - £3,356,000).

15. Debtors

	2018 £000	2017 £000
Trade debtors	13	50
Other debtors	133	135
Prepayments and accrued income	671	790
	817	975

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NOTES TO THE FINANCIAL STATEMENTS  
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16. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Other loans	5	-
Trade creditors	622	695
Other creditors	16	17
Accruals and deferred income	410	427
	<u>1,053</u>	<u>1,139</u>

	2018	2017
	£000	£000
<i>Deferred income</i>		
Deferred income at 1 September 2017	89	117
Resources deferred during the year	101	89
Amounts released from previous years	(89)	(117)
Deferred income at 31 August 2018	<u>101</u>	<u>89</u>

At the balance sheet date, the academy trust was holding funds received in advance of £101,000 consisting of capital grants of £58,000 (2017 - £29,000), rates relief paid in advance of £33,000 (2017 - £60,000), and grant income received ahead of the terms of the grant being fulfilled £10,000 (2017 - £nil).

17. Creditors: Amounts falling due after more than one year

	2018	2017
	£000	£000
Salix loan	<u>35</u>	<u>22</u>

Amounts included above repayable by instalments which fall due after five years £15,000 (2017 - £2,000).

The Salix loan balance above is repayable over a period of 8 years commencing September 2018 and is an interest free loan from the DfE for roofing improvement works at Leeds City Academy, and will be repaid in August 2026.

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NOTES TO THE FINANCIAL STATEMENTS  
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18. Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General funds	542	553	(716)	(334)	-	45
<b>Restricted funds</b>						
General Annual Grant (GAG)	308	15,792	(15,954)	(146)	-	-
Other DfE grants	-	2,567	(2,567)	-	-	-
Start up grant	776	10	(10)	-	-	776
Other grants	26	436	(436)	-	-	26
Pension reserve	(3,482)	-	(450)	-	973	(2,959)
	<b>(2,372)</b>	<b>18,805</b>	<b>(19,417)</b>	<b>(146)</b>	<b>973</b>	<b>(2,157)</b>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	52,666	-	(1,583)	-	-	51,083
DfE/ESFA Capital grants	587	54	(20)	-	-	621
Revaluation	6,297	-	(196)	-	-	6,101
Capital expenditure from GAG	408	-	(19)	480	-	869
Transfer from previous sponsor	347	-	(11)	-	-	336
	<b>60,305</b>	<b>54</b>	<b>(1,829)</b>	<b>480</b>	<b>-</b>	<b>59,010</b>
Total restricted funds	<b>57,933</b>	<b>18,859</b>	<b>(21,246)</b>	<b>334</b>	<b>973</b>	<b>56,853</b>
Total of funds	<b>58,475</b>	<b>19,412</b>	<b>(21,962)</b>	<b>-</b>	<b>973</b>	<b>56,898</b>

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the academy trust. The carried forward balance will be applied in future years to enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs.

Start Up Grant represents funding from the DfE to support the management structure of Leeds City Academy during the period of student number growth.



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18. Statement of funds (continued)

The reserves transferred from the previous sponsor represent grants held to support Leeds West and Leeds East academies during the transition from the estimated funding model to lagged funding whilst still in the period of student number growth.

Other DfE grants are allocated against the particular purpose for which they are provided.

The restricted pension reserve represents the deficit on the three academies in the trust's share of the Local Government Pension Scheme as at 31 August 2018.

Restricted fixed asset funds represent the undepreciated value of the tangible fixed assets and funds allocated for future capital projects.

Unrestricted private funds represent the income and expenditure in relation to school trips and catering service that has operated during the period.

Other restricted funds relate to funds held on behalf of White Rose Academies Trust for specific activities governed by the terms of the grant.

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

*Analysis of academies by fund balance*

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Leeds City Academy	626	888
Leeds East Academy	47	293
Leeds West Academy	140	390
White Rose Academies Trust	34	81
Total before fixed asset fund and pension reserve	847	1,652
Restricted fixed asset fund	59,010	60,305
Pension reserve	(2,959)	(3,482)
Total	56,898	58,475

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18. Statement of funds (continued)

*Analysis of academies by cost*

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Leeds City Academy	3,103	622	463	1,020	5,208	4,133
Leeds East Academy	3,355	466	715	1,248	5,784	5,182
Leeds West Academy	5,480	622	1,103	1,561	8,766	8,647
White Rose Academies Trust	355	394	227	152	1,128	710
	<u>12,293</u>	<u>2,104</u>	<u>2,508</u>	<u>3,981</u>	<u>20,886</u>	<u>18,672</u>

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds	455	573	(486)	-	-	542
<b>Restricted funds</b>						
General Annual Grant (GAG)	416	15,705	(15,618)	(195)	-	308
Transfer from previous sponsor	561	-	(561)	-	-	-
Other DfE grants	-	939	(939)	-	-	-
Start up grant	776	36	(36)	-	-	776
Other grants	26	376	(376)	-	-	26
Pension reserve	(5,650)	-	(570)	-	2,738	(3,482)
	<u>(3,871)</u>	<u>17,056</u>	<u>(18,100)</u>	<u>(195)</u>	<u>2,738</u>	<u>(2,372)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	54,323	-	(1,657)	-	-	52,666
DfE/ESFA Capital grants	172	501	(86)	-	-	587
Capital expenditure from GAG	295	-	(82)	195	-	408
Transfer from previous sponsor	347	-	-	-	-	347
Revaluation	6,426	-	(129)	-	-	6,297
	<u>61,563</u>	<u>501</u>	<u>(1,954)</u>	<u>195</u>	<u>-</u>	<u>60,305</u>
Total restricted funds	<u>57,692</u>	<u>17,557</u>	<u>(20,054)</u>	<u>-</u>	<u>2,738</u>	<u>57,933</u>
Total of funds	<u>58,147</u>	<u>18,130</u>	<u>(20,540)</u>	<u>-</u>	<u>2,738</u>	<u>58,475</u>

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19. Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Intangible fixed assets	-	-	17	17
Tangible fixed assets	-	-	58,718	58,718
Current assets	45	1,890	275	2,210
Creditors due within one year	-	(1,053)	-	(1,053)
Creditors due in more than one year	-	(35)	-	(35)
Provisions for liabilities and charges	-	(2,959)	-	(2,959)
	<u>45</u>	<u>(2,157)</u>	<u>59,010</u>	<u>56,898</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	39	39
Tangible fixed assets	-	-	59,758	59,758
Current assets	542	2,271	508	3,321
Creditors due within one year	-	(1,139)	-	(1,139)
Creditors due in more than one year	-	(22)	-	(22)
Provisions for liabilities and charges	-	(3,482)	-	(3,482)
	<u>542</u>	<u>(2,372)</u>	<u>60,305</u>	<u>58,475</u>

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(2,550)	(2,410)
<b>Adjustment for:</b>		
Depreciation and amortisation charges	1,829	1,868
Interest receivable	(8)	(14)
Loss on the sale of fixed assets	106	-
Decrease/(increase) in debtors	158	(417)
(Decrease)/increase in creditors	(73)	124
Capital grants from DfE and other capital income	(54)	(501)
Defined benefit pension scheme cost less contributions payable	370	460
Defined benefit pension scheme finance cost	80	110
<b>Net cash used in operating activities</b>	<b>(142)</b>	<b>(780)</b>

21. Analysis of cash and cash equivalents

	2018	2017
	£000	£000
Cash in hand	389	1,344
Notice deposits (less than 3 months)	1,004	1,002
<b>Total</b>	<b>1,393</b>	<b>2,346</b>

22. Pension commitments

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

**22. Pension commitments (continued)**

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

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,162,524 (2017 - £1,006,210).

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

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

***Local Government Pension Scheme***

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £631,000 (2017 - £564,000), of which employer's contributions totalled £441,000 (2017 - £393,000) and employees' contributions totalled £190,000 (2017 - £171,000). The agreed contribution rates for future years are between 11.5% and 16.4% for employers and between 5.5% and 12.5% (dependent on levels of pensionable pay) for employees.

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22. Pension commitments (continued)

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

To address the deficit in the scheme over the forthcoming 25 years it has been agreed that additional lump sum contributions will be paid into the scheme.

Any future contribution rates and lump sum payments will be determined by the next triennial valuation and will be effective from April 2020.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.35 %	3.25 %
Rate of increase for pensions in payment / inflation	2.10 %	2.00 %
Inflation assumption (CPI)	2.10 %	2.00 %
Inflation assumption (RPI)	3.20 %	3.10 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	23.1	23.0
Females	27.1	27.0

	At 31 August 2018 £000	At 31 August 2017 £000
<b><i>Sensitivity analysis (present value of total obligation)</i></b>		
Discount rate +0.1%	11,445	11,067
Discount rate -0.1%	11,995	11,600
Mortality assumption - 1 year increase	12,059	11,675
Mortality assumption - 1 year decrease	11,376	10,987

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22. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity Instruments	6,533	6,051
Government bonds	368	353
Corporate bonds	946	753
Property	307	306
Cash and other liquid assets	193	118
Other	411	267
	<u>8,758</u>	<u>7,848</u>
Total market value of assets	<u>8,758</u>	<u>7,848</u>

The actual return on scheme assets was £136,000 (2017 - £622,000).

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

	2018 £000	2017 £000
Net interest costs	(80)	(81)
Current service cost (net of employee contributions)	(807)	(853)
	<u>(887)</u>	<u>(934)</u>
Total	<u>(887)</u>	<u>(934)</u>
Actual return on scheme assets	<u>136</u>	<u>622</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	11,330	12,248
Current service cost	807	853
Interest cost	284	247
Employee contributions	190	171
Actuarial gains	(837)	(2,116)
Benefits paid	(61)	(73)
Past service costs	4	-
	<u>11,717</u>	<u>11,330</u>
Closing defined benefit obligation	<u>11,717</u>	<u>11,330</u>



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22. Pension commitments (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	7,848	6,598
Interest income	204	137
Actuarial gains	136	622
Employer contributions	441	393
Employee contributions	190	171
Benefits paid	(61)	(73)
	<hr/>	<hr/>
Closing fair value of scheme assets	8,758	7,848
	<hr/> <hr/>	<hr/> <hr/>

23. Operating lease commitments

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

	2018 £000	2017 £000
<b>Amounts payable:</b>		
Within 1 year	161	154
Between 1 and 5 years	441	596
	<hr/>	<hr/>
Total	602	750
	<hr/> <hr/>	<hr/> <hr/>

24. Members' liability

Each member of the academy trust undertakes to contribute to the assets of the academy trust 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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25. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

The sponsor, Leeds City College, has provided services to the academy trust during the year as detailed below:

	2018 £000	2017 £000
Educational course fees	391	117
Managed internet service	16	16
Seconded staff costs	9	34
Work experience coordination	12	10
ITSS service	192	129
Careers advice	-	18
Miscellaneous	-	1
	<u>          </u>	<u>          </u>

At 31 August 2018 the academy trust owed Leeds City College £nil (2017 - £15,020) which is included in trade creditors.

In entering into the transactions above the academy trust has complied with the requirements of the Academies Financial Handbook 2017. Other related party transactions relating to directors' remuneration and expenses are already disclosed in note 11.