



**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Directors' Report</b>	3 - 15
<b>Governance Statement</b>	16 - 20
<b>Statement on Regularity, Propriety and Compliance</b>	21
<b>Statement of Directors' Responsibilities</b>	22
<b>Independent Auditors' Report on the Financial Statements</b>	23 - 25
<b>Independent Reporting Accountant's Report on Regularity</b>	26 - 27
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	28 - 29
<b>Balance Sheet</b>	30 - 31
<b>Statement of Cash Flows</b>	32
<b>Notes to the Financial Statements</b>	33 - 62

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**WHITE ROSE ACADEMIES TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	The Corporation of Leeds City College (Sponsor) C Booth OBE J Pither
<b>Directors</b>	J Pither, Chair C Booth OBE L Devenny (appointed 1 September 2018) <sup>1</sup> Clr C Gruen E Hiorns P Morrissey M Parkes (appointed 1 September 2019) K A Pearlman-Shaw (appointed 1 January 2019) H Philips (appointed 1 November 2019) C Rix (resigned 17 October 2019) Prof D Shickle C Smith (resigned 31 October 2018) D Strachan (appointed 1 October 2018) <sup>1</sup> A Whitaker (appointed 4 October 2018) C Williams <sup>1</sup>  <sup>1</sup> Audit and finance committee
<b>Company registered number</b>	07958615
<b>Company name</b>	White Rose Academies Trust
<b>Registered office</b>	College House Park Lane Leeds LS3 1AA
<b>Principal operating office</b>	Bedford Field Woodhouse Cliff Leeds LS6 2LG
<b>Company secretary</b>	M Halstead
<b>Accounting officer</b>	A Whitaker

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

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**Senior management  
team**

Executive Principal, A Whitaker (accounting officer)  
Chief Financial Officer, S Jolley - appointed January 2019  
Interim Chief Financial Officer, J Dunkerley - resigned December 2018  
Principal - Leeds West Academy, C Wilcocks  
Principal - Leeds East Academy, S Carrie  
Principal - Leeds City Academy, J Rose - resigned March 2019  
Principal - Leeds City Academy, R Chattoe - appointed March 2019

**Independent auditors**

BHP LLP  
Chartered Accountants  
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

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**WHITE ROSE ACADEMIES TRUST**  
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**DIRECTORS' REPORT**  
*FOR THE YEAR ENDED 31 AUGUST 2019*

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The directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a directors' report and a trustees' 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 2,723 in the school census in January 2019.

***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 purposes of company law.

The charitable company is known as White Rose Academies Trust.

Details of the directors who served during the year, 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.

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

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Structure, governance and management (continued)

● *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.

**Structure, governance and management (continued)**

● **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
- 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

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

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**Structure, governance and management (continued)**

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;
- 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.

● ***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 a range of services including ITSS services on a not for profit basis. The value of these services was £880,274 (2018: £620,108) and are detailed in note 28.

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.



**Structure, governance and management (continued)**

● ***Equality and diversity policy***

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 regarding consideration of applications for employment, the treatment of employees and the training, career development and promotion of people with disabilities:

- 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.

***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.

**Objectives and activities (continued)**

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;
- 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 and step up days.

• **Public benefit**

In setting objectives and planning for activities, the directors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Objectives and activities (continued)

*Strategic report*

*Achievements and performance*

● *Key performance indicators*

During the year, the impact of the journey to Outstanding which all three academies began in September 2016 has been proved by the visits from Ofsted during April/May 2019. Leeds West Academy and Leeds East Academy were judged as Good in all areas, with Leeds City Academy being judged as Good with Outstanding for Leadership and Management. The academic results of the academies for the year ended 31 August 2019 show improvement compared to last year, with Leeds West Academy achieving its best results ever.

**Leeds City Academy**

**Year 11**

For the fourth year in a row, summer results at Leeds City Academy have continued to strengthen. They demonstrate sustained improvements over a four-year period. Of particular note is the fact that the academy achieved a (unvalidated) progress 8 score of +0.15 (2018 +0.16; 2017 P8 +0.08), 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.

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. Students thrive in this culturally rich environment and demonstrate high aspirations.

Key strengths:

- The proportion of all students in Year 11 achieving a standard grade 4 pass in English has increased by 6% from 49% in 2017/18 to 55% in 2018/19.
- The Progress 8 English element is strong at +0.28, representing an increase of +0.40 from -0.12 in 2017/18.
- Food Technology 100% of students passed the course, representing a 12% increase from 2017/18 and an 86% increase against the results achieved in 2016/17.
- Citizenship: 79% of students, secured a Grade of 4 or above, representing an 8% improvement. The percentage of students achieving a Grade 5 or above improved by 21%.
- French: 91% of students achieved a Grade 4 or above, representing a 66% increase from the previous year.
- Music BTEC: 70% of students of students achieved a pass or above, including 3 students who took the course as an additional, after school elective qualification.
- Student performance in Heritage Languages was very strong this academic year, with 85% of students in Italian achieving a Grade 8+, 100% of students achieving Grade 8+ in Polish and Arabic.
- The progress of SEND students has increased by a third of a grade from 2017/18 to 2018/19. The academy continues to be fully committed to providing SEND students with a highly personalised SEND pathway, enabling them to develop, mature as young people and secure increasingly impressive academic results

**Strategic report (continued)**

**Achievements and performance (continued)**

Other key milestones include:

- Student numbers continue to grow with an increase by 84% since 2015/16.
- Attendance has improved from 92.8% in 2016 to 95.0% in October 2019.
- 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.

Leeds City Academy, along with the community it serves, was delighted when it received an Ofsted inspection in May and was judged 'Good' in all areas with Outstanding Leadership. This is the first time in the academy's history that it has achieved a 'Good' judgment and the first time in the history of the predecessor schools on this site. This represents a milestone for the academy and the community in which it serves. These results and 'judgments' show the rising trajectory of the academy and is a strong indicator of our continual journey towards becoming Outstanding.

**Leeds East Academy**

**Year 11**

The academy was recently inspected by Ofsted and was judged as 'Good' for the first time in its history. It was also the first time that a school on this site has been judged as 'Good' in over 50 years. The achievement of attaining a 'Good' was both a validation of the Leadership at all levels demonstrating the demonstration of trajectory continual improvement. and is a strong indicator of our continual journey towards becoming Outstanding. The community in and around Leeds East Academy was delighted and proud of how the academy has evolved and this represents a bright future from an academy whose student numbers have increased by 42% in the past five years.

Key Strengths:

- Whilst the overall cohort was lower than the national average, the achievement of students with attendance in line with national figures is good, with a P8 score of +0.43. This indicates that students who attend school at Leeds East Academy, are taught well and achieve well.
- Spanish continues to improve, with 58% of students achieving a Grade 4 which represents a 6% increase from last year.
- All students who sat art, photography, sport and textiles achieved a passing grade of at least grade 4/Level 2 pass. This is a 19% improvement for photography.
- BTEC Sport continues its unbroken record of achieving 100% Level 2 pass rate for the third year in a row with 35% of students achieving Distinction\*/Distinction top grades.
- Heritage Languages were strong again this year with 100% achieving Grade 9/A in Italian, Spanish and Portuguese.
- The gap between the progress of boys against girls has narrowed this year and SEND students made better progress than all students at the academy by almost half a grade.

Other key milestones include:

- Attendance has improved by 1.6% over four years.
- The numbers of students on roll have increased by 42% in the past five years.

**Strategic report (continued)**

**Achievements and performance (continued)**

**Leeds West Academy**

**Year 11**

Leeds West Academy has secured improvement in both attainment and progress for the third year in succession. This has led to the academy celebrating the best results in its history; English and Maths Progress 8 improved and contributed to the final (unvalidated) Progress 8 score of 0.01. Against a tougher national picture and more challenging assessments across all subjects 18/24 subjects registered improvements in attainment.

The academy was judged as 'Good' in all areas in May 2019. This has been a symbolic and significant moment for an academy which draws from a large catchment area and educates a significant proportion of the secondary aged population in the west of Leeds.

**Key Strengths:**

- These results are the strongest results in the history of Leeds West Academy.
- Despite the cohort having prior attainment that is significantly below the national average, students have secured attainment in the core subjects of Maths and English that is in-line with national averages (students achieving grades 9-5 and 9-4 in these subjects).
- The proportion of students achieving a 'good' pass (grades 9-5) in both English and maths has improved by 11%, to 38%. (Basics 5+ measure).
- The proportion of students achieving a standard pass (grades 9-4) in both English and maths has improved by 6%, to 54% (Basics 4+ measure).
- The provisional Progress 8 figure has improved significantly and is now broadly in-line with national averages (-0.04 estimated).
- Progress in the English and maths elements of Progress 8 have improved significantly. Maths Progress 8 has improved by an estimate of +0.30 compared to the previous year and is expected to be above the national average. English progress is estimated to improve by +0.16.
- Progress in EBacc subjects has improved significantly, an improvement currently estimated to be +0.30.
- The proportion of students achieving a 'standard' pass in English has improved by 4%, compared with 2017. 64% 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 7%, to 47%. The proportion of students achieving the highest grades (Grades 9-7) has improved by 2% and now stands at 12%.
- Maths performance has improved by 2% at grades 9-4 and by 11% at grades 9-5. There has also been a 10% improvement in students achieving grades 9-7 in Maths. This is also expected to be above the national average.
- Attainment in Combined Science at grades 9-5 has improved by 7% and a 4% improvement at grades 9-4.

**Other key milestones include:**

- Sustained student numbers which demonstrate year on year that the academy is over subscribed and a popular choice for families within the city.

Strategic report (continued)

Achievements and performance (continued)

**Leeds West Academy Post 16**

After extensive consideration and consultation the decision was taken in May 2018 to close the sixth form provision at Leeds West Academy. The rationale for the closure was based upon the need to ensure that the young people in the area continued to receive a high quality specialised post-16 provision and the future financial viability of operating a modestly sized sixth form. It was decided to close the post-16 provision over two years to ensure that the students who were already studying in the sixth form were not adversely impacted by the closure. The academy has worked tirelessly during 2018/19 to ensure that the final upper sixth year group were supported through this transition and received a good quality educational experience.

- 60% of the cohort have applied and secured places at University. This is a record number for Leeds West Academy. Every student who had the ambition to move into Higher Education has secured a place at a University of their choice. Two students are already successfully running their own businesses and a further five have secured higher level apprenticeships.
- Overall retention rates have improved significantly. This demonstrates the academy's commitment to supporting all students through to completion of their courses despite the closure of the sixth form. 98.5% of students have been retained, compared with 89.8% in 2018. 100% of A-Level students have been retained. No students have been removed from their programmes of study during the academic year as part of our commitment to ensuring students complete their A-Level studies with us.
- Students taking more vocational courses (Applied General) have secured attainment above the national average (Average Points Score per entry is 29.23, compared with 28.47 nationally in 2018). This has contributed towards an estimated Level 3 Value Added Score of +0.2 for Applied General subjects. A-Level/Academic subjects have performed less well, in-part due to the context outlined above.
- Almost 40% of students have achieved an A-Level or equivalent at the highest grade, an improvement of over 7% compared with 2018. Similar improvements have been secured in the proportion of students achieving 2 or more A-Level or equivalent qualifications at Grades A\*-C (39.7% compared with 32.8% in 2018). 92.6% of students secured 2 or more A-Levels or equivalent, compared with 75% in 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 they continue 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**

● **Review of financial period**

The majority of income for educational operations received by White Rose Academies Trust during the year was from the Education & Skills Funding Agency (ESFA) 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.

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

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**Strategic report (continued)**

**Financial review (continued)**

The White Rose Academies Trust also receives capital grants from the ESFA. 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 2019, total income was £19,789k (2018: £19,412k).

The operational deficit, excluding depreciation and pension liabilities, shown in the General fund has decreased by £789k in the year ended 31 August 2019 to 315k (2018: £802k) in the Restricted General fund and (£257k) (2018: £45k) in the Unrestricted General fund.

The net book value of tangible fixed assets at 31 August 2019 was £57,351k (2018: £58,718k).

As at the 31 August 2019 the trust had cash reserves and cash balances on deposit of £576k (2018: £1,393k).

● **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 2019 of (£257k) (2018: £45k) 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 £315k (2018: £802k) include those designated for a particular purpose such as unspent start-up grants which are disclosed in note 20 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.

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.

**Strategic report (continued)**

**Financial review (continued)**

● ***Principal risks and uncertainties***

The Trust is exposed to a range of risks and these risks are monitored and managed through the Risk Management Policy and Procedure that is in place at the Trust. Through this procedure, risk registers are maintained by each academy and a single risk register is maintained capturing the strategic risks for the whole trust. The strategic risk register is regularly reviewed by the senior leadership team and is also scrutinised by the Audit & Finance Committee. The Board regularly receive the strategic risk register and an annual risk report. The Trust has a range of internal controls that enable risks to be monitored and prompt mitigating action to be taken.

The Trust also utilises the services of external professionals, in areas such as health and safety, safeguarding and school improvement, who provide independent reports to Trustees on the trust's work to mitigate and alleviate risks in these key areas.

The principal risks to the Trust include:

1. **Funding** - The majority of the funding for the Trust's activities is in the form of grant funding from the ESFA and the Trust is exposed to the risk of changes to government policy and practice over which the Trust has no direct influence. The Trust is presently managing the situation arising from the reduction in funding implemented by the ESFA as a result of the closure of Leeds West Academy Sixth Form. The Trust has put in place mitigations for this risk including ensuring that student number projections are delivered and that growth in student numbers is achieved where capacity exists in the academies. The Trust is also monitoring the potential impact of Brexit on the communities where its academies are located and the impact on student numbers that could arise from the change in the composition of these communities.
2. **Pensions** - The Trust is a member of the Local Government Pension Scheme and the triennial review is underway. The Trust will continue to monitor the funding position of this scheme, the outcome of the current triennial review and the impact on the contributions the Trust will be required to make as a result of this review.
3. **Growth** - Following the positive Ofsted results for the existing academies in the Trust in summer 2019, it is anticipated that the Trust will increase the number of academies in the coming years. Any growth opportunities will be subject to a rigorous due diligence process and the Trust will continually review its level of capacity in terms of personnel, processes and systems to ensure that the growth is managed in a controlled and sustainable manner.

***Fundraising***

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



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

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***Plans for future periods***

The Academy Trust plans to build upon the success of the recent Ofsted inspections at the three academies to further improve the educational experience provided to our young people. This will be delivered through the rigorous implementation of the locally developed Academy Development and Improvement Plans (ADIPs), shaped through the ongoing scrutiny and challenge of our external Academy Improvement Partner. The Academy Trust will explore potential growth opportunities that arise where the option is a logical step for the Trust and will result in sustained growth for the Trust. We will continue to invest in our staff and facilities to ensure that our students achieve the best possible outcomes.

***Employee involvement***

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The Academy Trust 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 Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equality & Diversity Policy
- Health & Safety Policy
- Safeguarding Policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in recruitment, selection and retention.

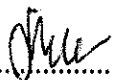
Full details of these policies are available from the Academy Trust's offices.

***Disclosure of information to auditors***

Insofar as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 and signed on its behalf by:

  
.....  
**J Pither**  
(Chair of Directors)  
Date: 12/12/2019

---

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

---

**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

The Board of Directors has overall responsibility for ensuring that White Rose Academies Trust has an effective and appropriate system of control - financial and otherwise.

The board delegates the day-to-day responsibility for running the Trust to the Executive Principal. The Executive Principal is also the Trust's Accounting Officer and is responsible for ensuring that financial controls conform with the requirements of both propriety and good financial management and comply with the requirements and responsibilities assigned to it in the funding agreement between White Rose Academies Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

The information provided in this section supplements that which is referred to in the Directors' Report and in the Statement of Directors' Responsibilities.

**Board of directors**

The board of directors has formally met 6 times during the year and also attended an 'away-day'.

Attendance by directors at meetings of the Board and the 'away-day' was as follows:

Director	Meetings attended	Out of a possible
J Pither, Chair	7	7
C Booth OBE	7	7
L Devenny	6	7
Cllr C Gruen	6	7
E Hiorns	7	7
P Morrissey	5	7
M Parkes (appointed 1 September 2019)	0	0
K A Pearlman-Shaw (appointed 1 January 2019)	2	5
H Philips (appointed 1 November 2019)	0	0
C Rix (resigned 17 October 2019)	3	7
Prof D Shickle	6	7
C Smith (resigned 31 October 2018)	0	1
D Strachan (appointed 1 October 2018)	5	7
A Whitaker (appointed 4 October 2018)	7	7
C Williams	5	7

**GOVERNANCE STATEMENT (CONTINUED)**

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**Board of directors (continued)**

**Audit and Finance Committee**

The Audit and Finance Committee is a committee of the Trust Board, established under the terms of Article 101 of the Trust's Articles of Association. The purpose of the committee is to assist the decision-making of the Trust by providing a process for independent checking of financial controls, systems, transactions and risks.

The Academies Financial Handbook published by the Education Funding Agency (ESFA) requires that the Audit & Finance Committee's work must focus on providing assurance to the Board of Directors that risks are being adequately identified and managed by:

The committee met formally 4 times during the year. Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
L Devenny, Chair (appointed 1 September 2018)	4	4
D Strachan (appointed 28 February 2019)	2	2
C Williams	4	4

**Focus on Governance**

During the year there has been a particular focus on the Trust's governance. Towards the end of the previous academic year reviews of governance were undertaken by a National Leader of Governance and by an external consultant. Outcomes were reviewed in detail by the Board and were the key agenda item at a Board Away Day.

A range of actions have been taken, including the following:

- Following a review of the content, format, consistency and timing of reporting to the Board, Audit & Finance Committee and Local Accountability Boards (LABs), the format of financial and operational reporting has significantly improved.
- Wellspring Academy Trust was commissioned to provide governance services to the Trust.
- The Board and LABs undertook Skills and Effectiveness Audits, from which action plans have been developed.
- There has been greater focus on the training and development of Directors and LAB members. The Trust Board will be undertaking the DfE's Governance Development Programme in the new academic year, in addition to which the Chair of the Board and Chair of the Audit and Finance Committee will be participating in the Chairs' Development Programme.
- A governance portal has been developed to host governance documentation/information securely and accessibly.
- Refinement of the Link Governor roles on LABs, with support being provided to assist them in providing greater assurance to their LAB (and the Board) regarding specific areas of Academy operations.
- Reports to LABs from Trust Board and Audit & Finance Committee meetings were introduced, in order to improve communications and understanding.

It is pleasing to report that the reports of the 2019 Ofsted inspections made positive reference to the effectiveness of governance within the Trust.

**GOVERNANCE STATEMENT (CONTINUED)**

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**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 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 has delivered improved value for money during the year by:

- Utilising the Central Trust team to provide support in academy improvement and various support services including Finance, HR, ICT, Marketing, Professional Development and Governance.
- Recruitment to shared posts across a number of academies and the secondment of staff across the Trust.
- The adoption of common processes and systems in the academies across the Trust.
- The provision of a number of services from Leeds City College, the Trust Sponsor, on an at cost basis.
- The procurement of a number of supplies across the Trust including broadband, catering, cleaning, internal audit, telephones, utility broker and utility supplies. These new contractual arrangements are expected to deliver improved value for money whilst minimising administrative burden.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in White Rose Academies Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

**GOVERNANCE STATEMENT (CONTINUED)**

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**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 and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of directors has considered the need for a specific internal audit function and engaged Armstrong Watson Audit Limited as internal auditor during this year.

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:

- fixed asset management
- governance
- safeguarding

On a termly basis, the internal auditor reports to the board of directors through the Audit and Finance Committee on the operation of the systems of control and on the discharge of the 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

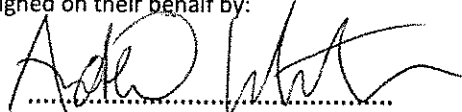
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**GOVERNANCE STATEMENT (CONTINUED)**

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Approved by order of the members of the board of directors and signed on their behalf by:

  
.....  
**J Pither**  
Chair of Directors  
Date: 12/12/2019

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

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**WHITE ROSE ACADEMIES TRUST**  
(A Company Limited by Guarantee)

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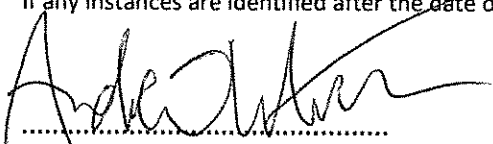
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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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 2018.

I confirm that I and the Academy Trust board of Directors are able to identify any material irregular or improper use of all 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 2018.

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  
Date: 12/12/2019

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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The directors (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2018 to 2019;
- 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: 12/12/2019



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

---

**Opinion**

We have audited the financial statements of White Rose Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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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. Other information includes the Reference and Administrative Details, the Directors' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

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

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**Responsibilities of directors**

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

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 Trust 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 Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Trust and its members, 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**

Chartered Accountants

New Chartford House

Centurion Way

Cleckheaton

BD19 3QB

13 December 2019

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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.

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**Conclusion**

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



**Lesley Kendrew**  
**Reporting Accountant**

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

Date: 13 December 2019

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	3	5	-	237	242	55
Charitable activities		-	18,929	-	18,929	18,804
Other trading activities		613	-	-	613	545
Investments	6	5	-	-	5	8
<b>Total income</b>		<b>623</b>	<b>18,929</b>	<b>237</b>	<b>19,789</b>	<b>19,412</b>
<b>Expenditure on:</b>						
Raising funds		-	-	-	-	30
Charitable activities		761	20,360	1,787	22,908	21,932
<b>Total expenditure</b>		<b>761</b>	<b>20,360</b>	<b>1,787</b>	<b>22,908</b>	<b>21,962</b>
<b>Net expenditure</b>		<b>(138)</b>	<b>(1,431)</b>	<b>(1,550)</b>	<b>(3,119)</b>	<b>(2,550)</b>
Transfers between funds	20	(164)	164	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(302)</b>	<b>(1,267)</b>	<b>(1,550)</b>	<b>(3,119)</b>	<b>(2,550)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(2,799)	-	(2,799)	973
<b>Net movement in funds</b>		<b>(302)</b>	<b>(4,066)</b>	<b>(1,550)</b>	<b>(5,918)</b>	<b>(1,577)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		45	(2,157)	59,010	56,898	58,475
Net movement in funds		(302)	(4,066)	(1,550)	(5,918)	(1,577)
<b>Total funds carried forward</b>		<b>(257)</b>	<b>(6,223)</b>	<b>57,460</b>	<b>50,980</b>	<b>56,898</b>

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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

The notes on pages 33 to 62 form part of these financial statements.

WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07958615

BALANCE SHEET  
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	14	2	17
Tangible assets	15	57,351	58,718
		<u>57,353</u>	<u>58,735</u>
<b>Current assets</b>			
Stocks	16	94	-
Debtors	17	928	817
Cash at bank and in hand		576	1,393
		<u>1,598</u>	<u>2,210</u>
Creditors: amounts falling due within one year	18	(1,403)	(1,053)
<b>Net current assets</b>		<u>195</u>	<u>1,157</u>
<b>Total assets less current liabilities</b>		<u>57,548</u>	<u>59,892</u>
Creditors: amounts falling due after more than one year	19	(30)	(35)
<b>Net assets excluding pension liability</b>		<u>57,518</u>	<u>59,857</u>
Defined benefit pension scheme liability	25	(6,538)	(2,959)
<b>Total net assets</b>		<u><u>50,980</u></u>	<u><u>56,898</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	57,460	59,010
Restricted income funds	20	315	802
Pension reserve	20	(6,538)	(2,959)
<b>Total restricted funds</b>	20	<u>51,237</u>	<u>56,853</u>
<b>Unrestricted income funds</b>	20	<u>(257)</u>	<u>45</u>
<b>Total funds</b>		<u><u>50,980</u></u>	<u><u>56,898</u></u>



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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07958615**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 28 to 62 were approved by the Directors and are signed on their behalf, by:

  
.....

**J Pither**

Chair of Directors

Date: 12/12/2019.

The notes on pages 33 to 62 form part of these financial statements.

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	(654)	(142)
<b>Cash flows from investing activities</b>	23	(163)	(811)
<b>Change in cash and cash equivalents in the year</b>		(817)	(953)
Cash and cash equivalents at the beginning of the year		1,393	2,346
<b>Cash and cash equivalents at the end of the year</b>	24	<u>576</u>	<u>1,393</u>

The notes on pages 33 to 62 form part of these financial statements

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

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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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

White Rose Academies Trust meets the definition of a public benefit entity under FRS 102.

**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.

**1.3 Income**

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

• **Grants**

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

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

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

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

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1. Accounting policies (continued)

1.3 Income (continued)

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in 'Stocks' 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'.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

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 Capital Grants' 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.

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.

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

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1. Accounting policies (continued)

1.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Taxation

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

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

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

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1. Accounting policies (continued)

**1.7 Intangible assets**

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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	-	33% straight line basis
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**1.8 Tangible fixed assets**

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided 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.

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

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1. Accounting policies (continued)

**1.9 Stocks**

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

**1.10 Debtors**

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

**1.11 Cash at bank and in hand**

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

**1.12 Liabilities and provisions**

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

**1.13 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.14 Operating leases**

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

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

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1. Accounting policies (continued)

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 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.

**1.16 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 the funders where the asset acquired or created is held for a specific purpose.

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

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



**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	5	-	-	5
Capital grants	-	-	237	237
<b>Total 2019</b>	<b>5</b>	<b>-</b>	<b>237</b>	<b>242</b>

	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Capital Grants	1	-	1
Government grants	-	54	54
<b>Total 2018</b>	<b>1</b>	<b>54</b>	<b>55</b>

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WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

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4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<i>DfE/ESFA grants</i>			
General Annual Grant (GAG)	17,300	17,300	15,792
Start up Grants	12	12	10
Other Dfe/ESFA grants	1,280	1,280	2,730
	<hr/>	<hr/>	<hr/>
	18,592	18,592	18,532
<i>Other government grants</i>			
Special Educational Needs	198	198	225
Local authority grants	139	139	46
	<hr/>	<hr/>	<hr/>
	337	337	271
<i>Other funding</i>			
Other income from the academy trust's educational operations	-	-	1
	<hr/>	<hr/>	<hr/>
	-	-	1
	<hr/>	<hr/>	<hr/>
	18,929	18,929	18,804
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2018, all funding for the Academy Trust's educational operations was restricted.

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Hire of facilities	25	25	35
Catering	412	412	390
Trip income	171	171	116
Other income	5	5	4
	<u>613</u>	<u>613</u>	<u>545</u>

In 2018 all income from other trading activities was unrestricted.

**6. Investment income**

	<b>Unrestricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Short term bank deposits	5	5	8
	<u>5</u>	<u>5</u>	<u>8</u>

In 2018 all investment income was unrestricted.

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**7. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Expenditure on fundraising trading activities:				
Direct costs	-	-	-	-
Education:				
Direct costs	13,002	-	4,196	17,198
Allocated support costs	2,667	1,256	1,788	5,711
	<u>15,669</u>	<u>1,256</u>	<u>5,984</u>	<u>22,909</u>

	Staff Costs 2018 £000	Premises 2018 £000	Other 2018 £000	Total 2018 £000
Expenditure on fundraising trading activities:				
Direct costs	16	14	-	30
Education:				
Direct costs	12,092	-	4,751	16,843
Allocated support costs	2,448	1,339	1,302	5,089
	<u>14,544</u>	<u>1,339</u>	<u>6,053</u>	<u>21,936</u>

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Education	<u>17,198</u>	<u>5,711</u>	<u>22,909</u>

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**8. Analysis of expenditure by activities (continued)**

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total funds 2018 £000
Education	16,843	5,089	21,932

**Analysis of support costs**

	Education 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	2,668	2,668	2,243
Depreciation	10	10	10
Other costs	1,615	1,615	1,391
Maintenance of premises and equipment	1,256	1,256	1,263
Technology costs	148	148	160
Governance	14	14	22
	5,711	5,711	5,089

**9. Net expenditure**

Net expenditure for the year includes:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	1,772	1,807
Amortisation of intangible assets	15	22
Fees paid to auditors for:		
- audit	9	9
- other assurance services	3	3

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	11,522	10,983
Social security costs	1,137	1,074
Pension costs	2,458	2,049
	<hr/> 15,117	<hr/> 14,106
Agency staff costs	469	325
Staff restructuring costs	83	125
	<hr/> <hr/> 15,669	<hr/> <hr/> 14,556

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	40	24
Severance payments	43	101
	<hr/> 83	<hr/> 125

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**10. Staff costs (continued)**

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £40,474 (2018 - £101,285). Individually the payments were: £2,346, £30,000 and £8,128.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	207	211
Administration and support	162	157
Management	5	5
	<u>374</u>	<u>373</u>

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

**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 £697,644 (2018 - £680,300).

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**11. Central services**

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

- financial services
- legal services
- educational support services
- human resources

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:

	2019	2018
	£000	£000
Leeds City Academy	256	230
Leeds East Academy	279	239
Leeds West Academy	345	362
<b>Total</b>	<b>880</b>	<b>831</b>

**12. Directors' remuneration and expenses**

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2019	2018
		£000	£000
A Whitaker - executive principal (appointed 4 October 2018)	Remuneration	145 - 150	120 - 125
	Pension contributions paid	20 - 25	15 - 20

During the year, retirement benefits were accruing to 1 Director (2018 - 1) in respect of defined contribution pension schemes.

During the year ended 31 August 2019, no Director expenses have been incurred (2018 - *ENIL*).



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

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13. 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 £10,000k on any one claim and the costs for the year ended 31 August 2019 are not separable as the RPA charge is based on student numbers. The cost of this insurance is included in the total insurance cost.

14. Intangible assets

	Computer software £000
<b>Cost</b>	
At 1 September 2018	74
At 31 August 2019	<u>74</u>
<b>Amortisation</b>	
At 1 September 2018	57
Charge for the year	15
At 31 August 2019	<u>72</u>
<b>Net book value</b>	
At 31 August 2019	<u>2</u>
At 31 August 2018	<u>17</u>

WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

15. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2018	62,254	3,232	1,337	52	66,875
Additions	-	298	107	-	405
At 31 August 2019	62,254	3,530	1,444	52	67,280
<b>Depreciation</b>					
At 1 September 2018	4,833	2,163	1,130	31	8,157
Charge for the year	1,245	380	137	10	1,772
At 31 August 2019	6,078	2,543	1,267	41	9,929
<b>Net book value</b>					
At 31 August 2019	56,176	987	177	11	57,351
At 31 August 2018	57,421	1,069	207	21	58,718

**Revaluations**

The leasehold property class of fixed assets was independently revalued on 1 April 2015 at £62,254k on an existing use basis. The class of assets has a historical cost of £55,696k (2018 - £55,696k). The depreciation on this historical cost is £5,583k (2018 - £4,470k).

16. Stocks

	2019 £000	2018 £000
Uniform, planners, exercise books etc.	94	-

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WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

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17. Debtors

	2019 £000	2018 £000
<i>Due within one year</i>		
Trade debtors	22	13
Other debtors	42	133
Prepayments and accrued income	864	671
	<u>928</u>	<u>817</u>

18. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Other loans	5	5
Trade creditors	690	622
Other creditors	533	16
Accruals and deferred income	175	410
	<u>1,403</u>	<u>1,053</u>

	2019 £000	2018 £000
Deferred income at 1 September 2018	101	89
Resources deferred during the year	5	101
Amounts released from previous periods	(101)	(89)
	<u>5</u>	<u>101</u>

At the balance sheet date, the Academy Trust was holding trip income received in advance of £5k.

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**19. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Salix loan	<b>30</b>	<b>35</b>

Amounts included above repayable by instalments which fall due after five years £10k (2018 - £15k).

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.

WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

20. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds	45	623	(761)	(164)	-	(257)
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	17,300	(17,925)	625	-	-
Other ESFA grants	-	1,280	(1,280)	-	-	-
Start up grant	776	12	(12)	(461)	-	315
Other grants	26	337	(363)	-	-	-
Pension reserve	(2,959)	-	(780)	-	(2,799)	(6,538)
	(2,157)	18,929	(20,360)	164	(2,799)	(6,223)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	51,419	-	(1,201)	-	-	50,218
ESFA capital grants	621	237	(220)	-	-	638
Revaluation	6,101	-	(143)	-	-	5,958
Capital expenditure from GAG	869	-	(223)	-	-	646
	59,010	237	(1,787)	-	-	57,460
<b>Total Restricted funds</b>	<b>56,853</b>	<b>19,166</b>	<b>(22,147)</b>	<b>164</b>	<b>(2,799)</b>	<b>51,237</b>
<b>Total funds</b>	<b>56,898</b>	<b>19,789</b>	<b>(22,908)</b>	<b>-</b>	<b>(2,799)</b>	<b>50,980</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 ESFA in order to fund the normal running costs of the

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**20. Statement of funds (continued)**

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 ESFA to support the management structure of Leeds City Academy during the period of student number growth.

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 ESFA 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 2019.

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

Other restricted funds related 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 it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Leeds City Academy	618	626
Leeds East Academy	(184)	47
Leeds West Academy	(366)	140
Central Trust	(10)	34
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	58	847
Restricted fixed asset fund	57,460	59,010
Pension reserve	(6,538)	(2,959)
	<hr/>	<hr/>
<b>Total</b>	<b>50,980</b>	<b>56,898</b>
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WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Leeds East Academy	184
Leeds West Academy	366
Central Trust	10
	<u>          </u>

Leeds East Academy and Leeds West Academy had lower than budgeted levels of income during 2018/19 which led to significant in-year deficits that has resulted in each academy having a cumulative deficit reserves position at the end of this financial year. Income was lower at Leeds East Academy as a result of not recruiting the budgeted number of students and the level of pupil premium funding was lower than the budgeted position. Following the decision to close the Sixth Form at Leeds West Academy, the ESFA advised the Trust that the 16-19 funding would be moved from a lagged funding basis to an in-year funding basis and as a consequence funding amounting to £450k would be clawed back from the allocation made for 2018/19. The reduced level of general annual grant funding at the two academies reduced the amount of top sliced income available to the Trust giving rise to a small in year deficit position for the Central Trust budget.

The 2019/20 budgets for Leeds West Academy and the Central Trust were set to generate in-year surpluses and the pupil numbers as at the October 2019 census were above the budgeted level at Leeds East Academy and Leeds West Academy, generating higher levels of surplus than the approved budget. This enhanced financial performance will improve the reserves balances. The Trust has been working with the Schools Resource Management Advisor Service to identify areas for potential reductions in costs and the findings of this work, alongside the work that is already underway within the Trust to realise savings, will be used to revise the current financial plans to further address the deficit reserve balances.

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000
Leeds City Academy	3,286	528	510	1,083	5,407
Leeds East Academy	3,911	462	655	1,190	6,218
Leeds West Academy	5,410	442	1,026	1,620	8,498
Central Trust	417	340	27	214	998
<b>Academy Trust</b>	<u>13,024</u>	<u>1,772</u>	<u>2,218</u>	<u>4,107</u>	<u>21,121</u>

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**20. Statement of funds (continued)**

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

	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 general funds</b>						
General Annual Grant (GAG)	308	15,792	(15,954)	(146)	-	-
Other ESFA 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)
	(2,372)	18,805	(19,417)	(146)	973	(2,157)
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	53,013	-	(1,594)	-	-	51,419
ESFA capital grants	587	54	(20)	-	-	621
Revaluation	6,297	-	(196)	-	-	6,101
Capital expenditure from GAG	408	-	(19)	480	-	869
	60,305	54	(1,829)	480	-	59,010
<b>Total Restricted funds</b>	<b>57,933</b>	<b>18,859</b>	<b>(21,246)</b>	<b>334</b>	<b>973</b>	<b>56,853</b>



WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Total funds</b>	<b>58,475</b>	<b>19,412</b>	<b>(21,962)</b>	<b>-</b>	<b>973</b>	<b>56,898</b>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	57,351	57,351
Intangible fixed assets	-	-	2	2
Current assets	(257)	1,748	107	1,598
Creditors due within one year	-	(1,403)	-	(1,403)
Creditors due in more than one year	-	(30)	-	(30)
Provisions for liabilities and charges	-	(6,538)	-	(6,538)
<b>Total</b>	<b>(257)</b>	<b>(6,223)</b>	<b>57,460</b>	<b>50,980</b>

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**21. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	58,718	58,718
Intangible fixed assets	-	-	17	17
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)
<b>Total</b>	<b>45</b>	<b>(2,157)</b>	<b>59,010</b>	<b>56,898</b>

**22. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £000	2018 £000
Net expenditure for the year (as per Statement of Financial Activities)	(3,119)	(2,550)
<b>Adjustments for:</b>		
Amortisation	15	22
Depreciation	1,772	1,807
Capital grants from ESFA and other capital income	(237)	(54)
Interest receivable	(5)	(8)
Defined benefit pension scheme cost less contributions payable	705	370
Defined benefit pension scheme finance cost	75	80
(Increase)/decrease in stocks	(94)	-
(Increase)/decrease in debtors	(111)	158
Increase/(decrease) in creditors	345	(73)
Loss on sale of fixed assets	-	106
<b>Net cash used in operating activities</b>	<b>(654)</b>	<b>(142)</b>

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WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

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23. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	5	8
Purchase of tangible fixed assets	(405)	(873)
Capital grants from ESFA	227	54
National Lottery project grant	10	-
<b><i>Net cash used in investing activities</i></b>	<b>(163)</b>	<b>(811)</b>

24. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	576	389
Notice deposits (less than 3 months)	-	1,004
<b><i>Total cash and cash equivalents</i></b>	<b>576</b>	<b>1,393</b>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 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**

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

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

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

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25. Pension commitments (continued)

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £1,183k (2018 - £1,163k).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £655k (2018 - £631k), of which employer's contributions totalled £453k (2018 - £441k) and employees' contributions totalled £202k (2018 - £190k). The agreed contribution rates for future years are between 11.5 per cent and 16.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £351k.

**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**25. Pension commitments (continued)**

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.35	3.35
Rate of increase for pensions in payment/inflation	2.10	2.10
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10
Inflation assumption (RPI)	3.10	3.20

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

	2019	2018
	Years	Years
Retiring today		
Males	22.2	22.1
Females	25.4	25.3
Retiring in 20 years		
Males	23.2	23.1
Females	27.2	27.1

**Sensitivity analysis**

	2019	2018
	£000	£000
Discount rate +0.1%	16,072	11,445
Discount rate -0.1%	16,843	11,995
Mortality assumption - 1 year increase	16,998	12,059
Mortality assumption - 1 year decrease	15,915	11,376
CPI rate +0.1%	16,564	11,796
CPI rate -0.1%	16,344	11,639

WHITE ROSE ACADEMIES TRUST  
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	7,694	6,533
Gilts	436	368
Corporate bonds	1,041	946
Property	447	307
Cash and other liquid assets	188	193
Other	109	411
<b>Total market value of assets</b>	<b>9,915</b>	<b>8,758</b>

The actual return on scheme assets was £593,000 (2018 - £136,000).

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

	2019 £000	2018 £000
Current service cost	(834)	(807)
Past service cost	(351)	-
Interest cost	(75)	(80)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,260)</b>	<b>(887)</b>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>11,717</b>	<b>11,330</b>
Interest cost	330	284
Employee contributions	202	190
Actuarial losses/(gains)	3,137	(837)
Benefits paid	(118)	(61)
Past service costs	351	4
Current service cost	834	807
<b>At 31 August</b>	<b>16,453</b>	<b>11,717</b>

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**25. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>8,758</b>	<b>7,848</b>
Interest income	255	204
Actuarial gains	338	136
Employer contributions	480	441
Employee contributions	202	190
Benefits paid	(118)	(61)
<b>At 31 August</b>	<b>9,915</b>	<b>8,758</b>

**26. Operating lease commitments**

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

	2019 £000	2018 £000
Not later than 1 year	152	161
Later than 1 year and not later than 5 years	277	441
	<b>429</b>	<b>602</b>

**27. Members' liability**

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

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**WHITE ROSE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

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**28. Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

	2019 £000	2018 £000
Educational course fees	546	391
Managed internet service	16	16
Seconded staff costs	14	9
Work experience coordination	18	12
ITSS service	242	192
Extended school provision	28	-
Miscellaneous	16	-
	<u>880</u>	<u>620</u>

In entering into the transactions above the academy trust has complied with the requirements of the Academies Financial Handbook 2018. Other related party transactions relating to directors' remuneration and expenses are already disclosed in note 12 to the financial statements.