

WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**WHITSTONE SCHOOL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Kate Lovell James Millward Gill Rennard Philip Eavis
Trustees	Gill Rennard, Head Teacher ^{1,2} James Millward, Chair of Trustees ^{1,2,3} Philip Eavis ^{1,2} Kate Lovell, Vice Chair of Trustees ^{1,2,3} Stuart Byrne ^{1,2,3} Lynne Elstob ^{1,3} Anna Gurowich, Staff Trustee ² Anita Johnson ² John Parham ^{1,2} Zena Pollard ^{1,3} Miranda Roberts, Staff Trustee ²

- ¹ Business and Finance committee
² Teaching and Learning committee
³ Appraisal and Pay Committee

Company registered number	07706741
Company name	Whitstone School Academy Trust
Principal and Registered office	Charlton Road Shepton Mallet Somerset BA4 5PF
Company secretary	Ruth Sayer
Accounting Officer	Gill Rennard
Senior management team	Gill Rennard, Headteacher Giles Atkins, Deputy Headteacher Jacqui Ackroyd, Deputy Headteacher Devlina Main, Business Manager Ian Law, Assistant Headteacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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

Bankers

HSBC
1 Market Place
Wells
BA5 2RN

Lloyds
64 Fore Street
Trowbridge
BA14 5AD

Solicitors

Browne Jacobson LLP
1 Manor Court
Dix's Field
Exeter
EX1 1UP

**WHITSTONE SCHOOL ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates an academy for pupils aged 11 to 16 in Shepton Mallet. It has a pupil capacity of 770 and had a roll of 528 in the school census on 3 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Whitstone School Academy Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£ -
Total pay bill	£2,610,042
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance from the Risk Protection Arrangement (RPA) to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 August 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 10 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by members.
- up to 3 Trustees co-opted by the Trustee Body.
- up to 1 LA Trustee who is appointed by the Local Authority.
- up to 5 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to 3 staff Trustees who are elected by staff of Whitstone School.
- the Headteacher.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

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

There are 3 committees as follows;

- **Business and Finance Committee** - this meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Teaching and Learning Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Appraisal and Pay Committee** which meets twice a year. It is responsible for reviewing staff salaries in line with the Pay Policy and to carry out the Headteacher's performance management.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or

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Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Improvement Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, two Deputy Headteachers, Assistant Headteacher and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

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

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher and Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised by the Headteacher. The Headteacher is responsible for the appointment of staff and appointment panels for senior teaching posts will include a Governor.

The Head Teacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size.

Connected Organisations, including Related Party Relationships

Shepton Mallet Leisure Centre forms part of the Academy's facilities and is being managed and run by the Trust since 22nd April 2016. Willow Nursery is an independent charity which occupies part of the Academy's site.

The Academy has strong collaborative links with 7 feeder primary schools which form part of the School's Learning Community.

There are no related parties which either control or significantly influence the decisions and operations of Whitstone School Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Whitstone School Academy Trust to provide free education and care for students of different abilities between the ages of 11 and 16.

The aims of the Academy during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all students.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.

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**TRUSTEES' REPORT (CONTINUED)
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- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who achieve 5 9 - 4 GCSE grades including English and Maths.
- to provide value for money for the funds expended.
- to enhance the curriculum at partner primary schools to accommodate some specialist teaching, and a range of activities.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to manage and run the Leisure Centre to ensure it provides a first class facility for students, parents, staff and the Shepton Mallet community and to provide a source of income for the School.
- to develop the School's capacity to manage change, and
- to conduct the School's business in accordance with the highest standards of integrity and probity.

At Whitstone School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Improvement Plan which is available from the School Office. Improvement focuses identified for this year include:

- Improving the school's Progress 8;
- Improving attainment, especially for students with higher prior attainment (HPA);
- Developing students' exam techniques and revision skills at KS4;
- Developing parental communication and engagement;
- Reviewing the content, delivery and assessment of the curriculum at KS3;
- Promoting high standards of behaviour for learning;
- Improving attendance;
- Continuing to work with the 5 Schools' Group to share best practice and provide CPD opportunities for staff.
- Ensuring the Academy continues to be financially secure.

Public Benefit

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

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

STRATEGIC REPORT

Achievements and Performance

In the school's most recent Ofsted (a Section 5 monitoring visit in February 2017) inspectors confirmed our 'Good' rating and the report is very positive about all aspects of the Academy.

After a number of years of improved achievement and attainment, results were disappointing in 2018 and 2019, which coincide with the new performance measures. 60% of our students achieved Grade 4+ in English and Maths in 2019 – a figure we would have been pleased with and the main performance indicator before the change in performance measures. 60% was an improvement on the 2018 results with a weaker cohort on entry.

Our Progress 8 score looks to be around -0.6 and is the main focus for our improvement plan. Detailed analysis suggests that students achieved the best results in terms of progress if they sustained very high ATL (Attitude to Learning) scores across all subjects and parental engagement was high.

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FOR THE YEAR ENDED 31 AUGUST 2019**

Students' and parents' ambition was not high enough in some cases. The Progress 8 score means nothing to the students themselves and they were often happy to achieve lower grades because it was sufficient to secure their place on a college course or apprenticeship.

The number of fixed term and permanent exclusions remains low. There is a tension, particularly in small schools, between being truly inclusive and achieving a positive Progress 8 score.

Literacy skills continue to be a particular area of focus. The English faculty has spear-headed a whole school initiative to encourage reading. Our 'We Read' initiative has been successfully launched with Year 7 and will roll into Year 8 in English lessons and across the whole school in tutor time activities; it compliments other initiatives such as 'Drop Everything and Read' weeks. Literacy and articulacy – particularly for Year 9 boys - is also an on-going project.

One of the most exciting recent developments has been the 5 Schools' Group, which is a group of five local secondary schools committed to working together to improve outcomes for young people, provide CPD opportunities for staff and work collectively on the challenges presented by a changing educational landscape. The five headteachers meet every half term and there are CPD groups also meeting regularly, including the behaviour leads' group and the attendance group.

Membership continues to grow at the Leisure Centre and projections suggest it will be a sound and profitable business venture. We have secured external funding to support on-going improvements, including match funding to replace a number of windows and funding to refurbish the squash courts. We have secured some funding towards our next project, which is the redevelopment of the bar area into a space for dance and exercise classes.

The Leisure Centre is one aspect of our drive towards becoming an emotionally healthy school as there is a strong correlation between physical health and mental / emotional health. The Academy offers reduced membership to Whitstone students and free membership to staff.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review, £nil (2017-18: £nil) was carried forward representing 0% (2017-18: nil%) of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 increased significantly to 528 (2018: 514), an increase of 16% over 2016 (455). 2020 numbers are also forecast to steadily increase to over 550.

Going Concern

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

FINANCIAL REVIEW

Financial Review

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

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

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During the year ended 31 August 2019, excluding fixed asset and pension reserves, the Academy received total income of £3,102,518 (2018: £2,822,421) and incurred total expenditure of £3,079,261 (2018: 2,904,317). The excess of income over expenditure for the year was a surplus of £23,257 (2018: 81,896 deficit).

At 31 August 2019 the net book value of fixed assets was £7,689,638 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued for insurance on 22 April 2013 at £15m. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£63,559) was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

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

Following the finalisation of the annual accounts for 2018 the Governors have determined that the appropriate level of free cash reserves should be no less than £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. At 31 August 2019, the Academy Trust had unrestricted free reserves (not including fixed assets purchased using unrestricted funds) of £277,242 (2018: 289,869) and £2,000 (2018: 5,680) of restricted reserves that are held for revenue purposes. This represents just over one month of expenditure. The reason for carrying reserves at a higher level than the £100,000 minimum is due to the ESFA funding being on a "lag" basis as discussed in the Going Concern section. With increasing cost pressure, particularly due to increased student numbers, the Academy is likely to experience further deficits before it can return to surplus. However the ESFA have provided assurances to support the cashflow position of the Academy for the foreseeable future.

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

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows: £20,000 reserve fund for the astro-turf pitch for replacement in 2030.

Investment Policy

The Academy aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

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**TRUSTEES' REPORT (CONTINUED)
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Regular cash flows are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

Where the cash flow identifies a base level of cash funds that will be surplus to requirements, these may be invested in interest bearing deposit accounts at banks as detailed in the Investment policy, or in Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 12 months.

Periodically, at least annually, the Business Manager will review the interest rates being achieved and will compare with other investment opportunities that comply with the parameters of this.

Principal Risks And Uncertainties

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

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 83% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

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

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

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

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

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

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The

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

Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

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

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Academy will continue to run the Leisure Centre and develop the facility to provide good quality sport and leisure provision for all stakeholders.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

James Millward, a trustee of the Academy was appointed Trustee of the Shepton Mallet Recreational Trust in June 2018.

Disclosure of information to auditors

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

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

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 3 December 2019 and signed on its behalf by:

James Millward
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whitstone School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Trustee	Meetings attended	Out of a possible
Gill Rennard, Head Teacher	4	4
James Millward, Chair of Trustees	4	4
Philip Eavis	4	4
Kate Lovell, Vice Chair of Trustees	3	4
Stuart Byrne	4	4
Lynne Elstob	3	4
Anna Gurowich, Staff Trustee	4	4
Anita Johnson	4	4
John Parham	3	4
Zena Pollard	4	4
Miranda Roberts, Staff Trustee	4	4

The Board of Trustees annually reviews the make-up of the Board and individual skills' sets of all its members. New governors are selected, as far as possible, on their professional background and/or their skills and experience. The Board of Trustees are mindful that these skills need to complement the existing skills on the Board and meet the needs of the Academy in the future.

Trustees are informed of regular training availability and these opportunities are taken up where appropriate. The Board of Trustees have undertaken a detailed skills' audit which will be used to highlight particular training opportunities with specific governors in the future.

The Business and Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to:

- Assist the decision making of the Board of Governors, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Governors' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- Make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.
- Major issues will be ratified to the full Board of Trustees for ratification.

Terms of Reference:

- To consider the academy's indicative funding, notified annually by the ESFA, and to assess its implications for the academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board of Governors.
- To consider the recommended acceptance/non-acceptance of the academy's budget, at the start of each financial year.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- To contribute to the formulation of the academy's improvement plan, through consideration of financial priorities and proposals, including staffing and the development and maintenance of buildings and grounds.
- To ensure the health and safety of students, staff, visitors and other users of the school facilities and to meet the requirements of all Health & Safety legislation.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the Teaching and Learning committee, as appropriate, and to make recommendations about the financial aspects of matters being considered by the committee.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Board of Governors.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate, make recommendations for improvement.
- To liaise with and receive reports from the Headteacher as appropriate, with regards to the running and financial viability of the Leisure Centre, to report to Business & Finance committee; and to receive reports from the LC user group.
- To receive auditors' reports and to recommend to the Board of Governors action as appropriate in response to audit findings.
- To recommend to the Board of Governors the appointment or reappointment of the auditors of the academy.
- To incorporate the duties of the Audit Committee
- To review teachers' pay progression and the salaries of the Headteacher and SLT on an annual basis as recommended by the Appraisal and Pay Committee.
- To review and monitor the school's marketing strategy
- To review policies as appropriate in accordance with recommended timescales.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Gill Rennard	3	3
James Millward	2	3
Philip Eavis	2	3
Kate Lovell	3	3
Stuart Byrne	3	3
Lynne Elstob	3	3
John Parham	2	3
Zena Pollard	3	3

The Audit Committee is incorporated into the Business and Finance committee. Its purpose is to:

- review the body's internal and external financial statements and reports to ensure that they reflect best practice
- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff
- consider all relevant reports by the Comptroller and Auditor General or the appointed external auditor, including reports on the body's accounts, achievement of value for money and the response to any management letters
- review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner
- ensure that the body's internal audit service meets, or exceeds, the standards specified in the

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Government Internal Audit Manual, complies in all other respects with these guidelines and meets agreed levels of service

- consider and advise the board on the body's annual and long-term audit programme
- consider internal audit reports, including value-for-money reports and the arrangements for their implementation
- review the operation of the body's code of practice for board members and code of conduct for staff
- consider any other matters where requested to do so by the board
- report at least once a year to the board on the discharge of the above duties.

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to review the structure of teaching and support staff in order to maximise the use of resources and deploying staff effectively.
- Planned maintenance of buildings and replacement of IT, furniture, fixtures and fittings in order to improve provision of resources.

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

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Education Financial Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included income, payroll, purchasing and general financial operations.

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

- the work of the 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2019 and signed on their behalf by:

James Millward
Chair of Trustees

Gill Rennard
Accounting Officer

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Whitstone School Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees 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 Trustees 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 Trustees and ESFA.

Gill Rennard
Accounting Officer

Date: 3 December 2019

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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

James Millward
Chair of Trustees

Date: 3 December 2019

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITSTONE SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of Whitstone School Academy 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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.

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITSTONE SCHOOL ACADEMY TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WHITSTONE SCHOOL ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Trustees 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. 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.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

19 December 2019

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHITSTONE
SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whitstone School Academy 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 Whitstone School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Whitstone School Academy 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 Whitstone School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Whitstone School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Whitstone School Academy Trust's funding agreement with the Secretary of State for Education dated 01 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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

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

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHITSTONE
SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 19 December 2019

**WHITSTONE SCHOOL ACADEMY 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 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	3,144	37,899	37,179	78,222	255,611
Charitable activities	5	399,350	2,611,291	-	3,010,641	2,711,988
Other trading activities	6	49,834	-	-	49,834	49,609
Investments	7	1,000	-	-	1,000	1,074
Total income		453,328	2,649,190	37,179	3,139,697	3,018,282
Expenditure on:						
Charitable activities		452,878	2,842,870	215,134	3,510,882	3,309,931
Total expenditure	8	452,878	2,842,870	215,134	3,510,882	3,309,931
Net movement in funds before other recognised gains/(losses)		450	(193,680)	(177,955)	(371,185)	(291,649)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(291,000)	-	(291,000)	342,000
Net movement in funds		450	(484,680)	(177,955)	(662,185)	50,351
Reconciliation of funds:						
Total funds brought forward		379,915	(1,576,320)	7,654,469	6,458,064	6,407,713
Net movement in funds		450	(484,680)	(177,955)	(662,185)	50,351
Total funds carried forward		380,365	(2,061,000)	7,476,514	5,795,879	6,458,064

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

The notes on pages 25 to 53 form part of these financial statements.

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07706741**

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	7,689,638	7,877,824
Current assets			
Debtors	15	66,997	51,037
Cash at bank and in hand		379,075	449,155
		<u>446,072</u>	<u>500,192</u>
Creditors: amounts falling due within one year	16	(194,331)	(227,952)
Net current assets		<u>251,741</u>	<u>272,240</u>
Total assets less current liabilities		<u>7,941,379</u>	<u>8,150,064</u>
Creditors: amounts falling due after more than one year	17	(82,500)	(110,000)
Net assets excluding pension liability		<u>7,858,879</u>	<u>8,040,064</u>
Defined benefit pension scheme liability	25	(2,063,000)	(1,582,000)
Total net assets		<u><u>5,795,879</u></u>	<u><u>6,458,064</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	7,476,514	7,654,469
Restricted income funds	19	2,000	5,680
		<u>7,478,514</u>	<u>7,660,149</u>
Restricted funds excluding pension asset	19	7,478,514	7,660,149
Pension reserve	19	(2,063,000)	(1,582,000)
Total restricted funds	19	<u>5,415,514</u>	<u>6,078,149</u>
Unrestricted income funds	19	<u>380,365</u>	<u>379,915</u>
Total funds		<u><u>5,795,879</u></u>	<u><u>6,458,064</u></u>

The financial statements on pages 22 to 53 were approved by the Trustees, and authorised for issue on 3 December 2019 and are signed on their behalf, by:

James Millward
Chair of Trustees

The notes on pages 25 to 53 form part of these financial statements.

WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(18,666)	6,620
Cash flows from investing activities	23	(23,914)	(114,109)
Cash flows from financing activities	22	(27,500)	(27,500)
Change in cash and cash equivalents in the year		(70,080)	(134,989)
Cash and cash equivalents at the beginning of the year		449,155	584,144
Cash and cash equivalents at the end of the year	24	379,075	449,155

The notes on pages 25 to 53 form part of these financial statements

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. Accounting policies

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

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.

Whitstone School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Academy is budgeting to have a cash deficit which is a lagged funding issue. The academy is working hard on efficiencies and cost savings and is working closely with the ESFA who will provide support if needed. After making appropriate enquiries with the ESFA, the Board of Trustees has a reasonable expectation 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.

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. Accounting policies (continued)

1.3 INCOME

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

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

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

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

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

Donations 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, 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.

1.4 INTEREST RECEIVABLE

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

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. Accounting policies (continued)

1.5 EXPENDITURE

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 TANGIBLE FIXED ASSETS

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

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

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

Freehold property	- 2% - 7% straight-line
Furniture and fixtures	- 20% straight-line
Plant and equipment	- 33.3% straight-line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**WHITSTONE SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. Accounting policies (continued)

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.10 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 15. Prepayments are not financial instruments.

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

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

1.11 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.

**WHITSTONE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.12 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.

1.13 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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.

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1. Accounting policies (continued)

1.15 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing Mendip Support School Alliance funds from the Local Authority. Payments received from the Local Authority and subsequent disbursements to Schools are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 30.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The Academy Trust 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.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2019.

**WHITSTONE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	3,144	37,899	41,043	59,750
Capital Grants	-	37,179	37,179	11,661
Building work funded by Somerset County Council	-	-	-	184,200
Total 2019	<u>3,144</u>	<u>75,078</u>	<u>78,222</u>	<u>255,611</u>
Total 2018	<u>2,190</u>	<u>253,421</u>	<u>255,611</u>	

In the year ended 31 August 2018, Somerset County Council undertook works at Whitstone School to provide and enhance disabled access at the School. The works were directly funded by Somerset County Council, so the value of the works was recognised in the prior year accounts as income and within freehold property additions.

**WHITSTONE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	2,458,412	2,458,412	2,192,514
Other DfE/EFSA grants	-	118,972	118,972	110,536
	-	2,577,384	2,577,384	2,303,050
Other Government grants				
High Needs	-	28,847	28,847	39,691
	-	28,847	28,847	39,691
Other funding				
Internal catering income	73,555	-	73,555	68,345
Other	4,372	5,060	9,432	4,947
	77,927	5,060	82,987	73,292
Total 2019	77,927	2,611,291	2,689,218	2,416,033
Total 2018	72,612	2,343,421	2,416,033	

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	14,828	14,828	13,439
Catering	35,006	35,006	36,170
Leisure Centre	321,423	321,423	295,955
Total 2019	371,257	371,257	345,564

All prior year income related to unrestricted funds.

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

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,000	1,000	1,074
	<u> </u>	<u> </u>	<u> </u>

All prior year income related to unrestricted funds.

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	2,044,636	119,352	272,889	2,436,877	2,308,856
Support costs	384,963	205,194	192,995	783,152	712,357
Leisure centre:					
Direct costs	-	-	6,871	6,871	1,205
Support costs	200,357	40,790	42,835	283,982	287,513
Total 2019	<u>2,629,956</u>	<u>365,336</u>	<u>515,590</u>	<u>3,510,882</u>	<u>3,309,931</u>
Total 2018	<u>2,435,293</u>	<u>327,700</u>	<u>546,938</u>	<u>3,309,931</u>	

**WHITSTONE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	2,436,877	783,152	3,220,029	3,021,213
Leisure centre	6,871	283,982	290,853	288,718
Total 2019	<u>2,443,748</u>	<u>1,067,134</u>	<u>3,510,882</u>	<u>3,309,931</u>
Total 2018	<u>2,310,061</u>	<u>999,870</u>	<u>3,309,931</u>	

Analysis of direct costs

	Education 2019 £	Leisure Centre 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance cost	41,000	-	41,000	45,000
Staff costs	2,024,722	-	2,024,722	1,901,686
Depreciation	193,917	-	193,917	187,587
Educational supplies	62,769	6,871	69,640	67,455
Examination fees	29,009	-	29,009	36,683
Staff development	5,464	-	5,464	5,887
Other costs	60,082	-	60,082	55,446
Supply teachers	19,914	-	19,914	10,317
Total 2019	<u>2,436,877</u>	<u>6,871</u>	<u>2,443,748</u>	<u>2,310,061</u>
Total 2018	<u>2,308,856</u>	<u>1,205</u>	<u>2,310,061</u>	

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FOR THE YEAR ENDED 31 AUGUST 2019**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2019 £	Leisure Centre 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	384,963	200,357	585,320	523,290
Depreciation	56,362	-	56,362	51,627
Recruitment and support	6,371	-	6,371	5,579
Maintenance of premises and equipment	55,074	1,244	56,318	65,743
Cleaning	-	-	-	2,835
Rent and rates	22,036	7,591	29,627	32,292
Energy costs	40,046	31,955	72,001	62,544
Insurance	9,940	-	9,940	9,100
Security and transport	27,305	-	27,305	25,178
Catering	82,972	1,024	83,996	79,080
Technology costs	7,106	-	7,106	16,118
Office overheads	23,369	41,811	65,180	62,792
Legal and professional	35,687	-	35,687	38,272
Bank interest and charges	2,881	-	2,881	1,601
Governance costs	29,040	-	29,040	23,819
Total 2019	<u>783,152</u>	<u>283,982</u>	<u>1,067,134</u>	<u>999,870</u>
Total 2018	<u>712,357</u>	<u>287,513</u>	<u>999,870</u>	

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	45,743	39,870
Depreciation of tangible fixed assets	241,621	230,614
Fees paid to auditors for:		
- audit	6,900	6,900
- other services	1,940	640
	=====	=====

**WHITSTONE SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	1,956,664	1,825,388
Social security costs	167,591	158,621
Pension costs	485,787	440,967
	<u>2,610,042</u>	<u>2,424,976</u>
Agency staff costs	19,914	10,317
	<u>2,629,956</u>	<u>2,435,293</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	30	29
Administration and Support	48	43
Management	5	5
	<u>83</u>	<u>77</u>

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	26	26
Administration and Support	33	28
Management	5	5
	<u>64</u>	<u>59</u>

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

11. Staff costs (continued)

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as 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 was £368,021 (2018: £354,818).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by Key Management Personnel above.

12. Trustees' remuneration and expenses

During the year, no Trustees received any benefits in kind (2018: £Nil).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: G Rennard: Remuneration £75,000 - £80,000 (2018: £75,000 - £80,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000), A Gurowich: Remuneration £20,000 - £25,000 (2018: £25,000 - £30,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000), M Roberts: Remuneration £35,000 - £40,000 (2018: £30,000 - £35,000), Employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 29.

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018: £Nil).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	8,607,736	398,106	179,470	9,185,312
Additions	13,728	33,520	14,845	62,093
Disposals	(10,000)	-	-	(10,000)
	<u>8,611,464</u>	<u>431,626</u>	<u>194,315</u>	<u>9,237,405</u>
At 31 August 2019				
Depreciation				
At 1 September 2018	947,772	199,881	159,835	1,307,488
Charge for the year	156,660	71,820	13,141	241,621
On disposals	(1,342)	-	-	(1,342)
	<u>1,103,090</u>	<u>271,701</u>	<u>172,976</u>	<u>1,547,767</u>
At 31 August 2019				
Net book value				
At 31 August 2019	<u>7,508,374</u>	<u>159,925</u>	<u>21,339</u>	<u>7,689,638</u>
At 31 August 2018	<u>7,659,964</u>	<u>198,225</u>	<u>19,635</u>	<u>7,877,824</u>

The value of land not depreciated during the year was £1,224,840 (2018: £1,244,840).

15. Debtors

	2019 £	2018 £
Due within one year		
VAT recoverable	2,822	15,565
Prepayments and accrued income	64,175	35,472
	<u>66,997</u>	<u>51,037</u>

**WHITSTONE SCHOOL ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2019**

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
ESFA Loans	27,500	27,500
Trade creditors	48,502	44,499
Other taxation and social security	41,938	40,471
Other creditors	42,971	39,197
Accruals and deferred income	33,420	76,285
	194,331	227,952
	194,331	227,952
	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	12,395	12,043
Resources deferred during the year	12,671	12,395
Amounts released from previous periods	(12,395)	(12,043)
	12,671	12,395
	12,671	12,395

At the balance sheet date the Academy Trust was holding funds received in advance for lettings booked for the autumn term 2019.

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

	2019 £	2018 £
ESFA Loans	82,500	110,000
	82,500	110,000
Creditors include amounts not wholly repayable within 5 years as follows:		
	2019 £	2018 £
Repayable by instalments	82,500	110,000
	82,500	110,000
	82,500	110,000

The ESFA loan balance included in creditors: amounts falling due after more than one year represents the balance due, by instalments, to the ESFA for the loan element of the ACMF funding received for the boiler project. No interest is chargeable on this balance.

WHITSTONE SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	379,075	449,155
Financial assets that are debt instruments measured at amortised cost	45,928	19,430
	<u>425,003</u>	<u>468,585</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(222,222)</u>	<u>(285,086)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise accrued income.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	279,869	453,328	(426,391)	(49,564)	-	257,242
Unrestricted fixed assets	90,046	-	(26,487)	39,564	-	103,123
Astro-turf pitch sinking fund	10,000	-	-	10,000	-	20,000
	<u>379,915</u>	<u>453,328</u>	<u>(452,878)</u>	<u>-</u>	<u>-</u>	<u>380,365</u>
Restricted general funds						
General Annual Grant (GAG)	-	2,458,412	(2,458,412)	-	-	-
High Needs	-	28,847	(28,847)	-	-	-
Pupil Premium	-	97,526	(97,526)	-	-	-
Donations	5,000	2,000	(5,000)	-	-	2,000
Other DfE/ESFA Grants	-	21,446	(21,446)	-	-	-
Curriculum Trips	-	35,899	(35,899)	-	-	-
Other non-government grants	680	5,060	(5,740)	-	-	-
Pension reserve	(1,582,000)	-	(190,000)	-	(291,000)	(2,063,000)
	<u>(1,576,320)</u>	<u>2,649,190</u>	<u>(2,842,870)</u>	<u>-</u>	<u>(291,000)</u>	<u>(2,061,000)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,851,454	-	(107,696)	-	-	5,743,758
Fixed assets purchased from GAG	136,910	-	(10,032)	-	-	126,878
DfE/ESFA capital grants	1,426,909	37,179	(93,722)	-	-	1,370,366
Funded by Local Authority	180,516	-	(3,684)	-	-	176,832
Other capital grants and donations	58,680	-	-	-	-	58,680

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
	7,654,469	37,179	(215,134)	-	-	7,476,514
Total Restricted funds	6,078,149	2,686,369	(3,058,004)	-	(291,000)	5,415,514
Total funds	6,458,064	3,139,697	(3,510,882)	-	(291,000)	5,795,879

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

UNRESTRICTED FUNDS

General Funds - Funds that are freely available for general purposes.

Unrestricted fixed assets - Fixed assets purchased from unrestricted general funds. This is represented by a transfer of funds.

Astro-turf pitch sinking fund - Designated reserve fund for the astro-turf pitch for replacement in 2030.

RESTRICTED FUNDS

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

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

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

Donations - This represents general donations to be used for the normal running of the Academy Trust, including education and support costs.

Other DfE/ESFA grants - This represents funding received from the ESFA for Universal Infant Free School Meals to provide catering for infants, and PE/Sports funding.

Curriculum trips - This represents income specifically received for the provision of educational trips.

Other non government grants - This represents income from the Mendip School Support Alliance for the training of teachers.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the

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19. Statement of funds (continued)

School from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG - This represents funds transferred from the restricted GAG fund to purchases fixed assets. The fixed asset fund balance at the year end represents the Net Book Value of assets.

DfE/ESFA Capital Grants – These funds are received from the DfE/ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Funded by Local Authority - Works funded by Somerset County Council to provide and enhance disabled access at the Academy.

Other capital grants and donations - These funds were received from third parties for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG it could carry forward at 31 August 2019. Note 3 discloses whether the limit was exceeded.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	408,212	421,440	(493,016)	(46,767)	-	289,869
Unrestricted fixed assets	76,866	-	(33,587)	46,767	-	90,046
	<u>485,078</u>	<u>421,440</u>	<u>(526,603)</u>	<u>-</u>	<u>-</u>	<u>379,915</u>
Restricted general funds						
General Annual Grant (GAG)	-	2,192,514	(2,192,514)	-	-	-
High Needs	-	39,691	(39,691)	-	-	-
Pupil Premium	-	89,664	(89,664)	-	-	-
Donations	10,000	-	(5,000)	-	-	5,000
Other DfE/ESFA Grants	-	20,872	(20,872)	-	-	-
Curriculum Trips	-	57,560	(57,560)	-	-	-
Other non-government grants	6,000	680	(6,000)	-	-	680
Pension reserve	(1,749,000)	-	(175,000)	-	342,000	(1,582,000)
	<u>(1,733,000)</u>	<u>2,400,981</u>	<u>(2,586,301)</u>	<u>-</u>	<u>342,000</u>	<u>(1,576,320)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,959,150	-	(107,696)	-	-	5,851,454
Fixed assets purchased from GAG	144,568	-	(7,658)	-	-	136,910
DfE/ESFA capital grants	1,492,040	11,661	(76,792)	-	-	1,426,909
Funded by Local Authority	-	184,200	(3,684)	-	-	180,516

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19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Other capital grants and donations	59,877	-	(1,197)	-	-	58,680
	<u>7,655,635</u>	<u>195,861</u>	<u>(197,027)</u>	<u>-</u>	<u>-</u>	<u>7,654,469</u>
Total Restricted funds	<u>5,922,635</u>	<u>2,596,842</u>	<u>(2,783,328)</u>	<u>-</u>	<u>342,000</u>	<u>6,078,149</u>
Total funds	<u><u>6,407,713</u></u>	<u><u>3,018,282</u></u>	<u><u>(3,309,931)</u></u>	<u><u>-</u></u>	<u><u>342,000</u></u>	<u><u>6,458,064</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	103,124	-	7,586,514	7,689,638
Current assets	444,072	2,000	-	446,072
Creditors due within one year	(166,831)	-	(27,500)	(194,331)
Creditors due in more than one year	-	-	(82,500)	(82,500)
Provisions for liabilities and charges	-	(2,063,000)	-	(2,063,000)
Total	<u><u>380,365</u></u>	<u><u>(2,061,000)</u></u>	<u><u>7,476,514</u></u>	<u><u>5,795,879</u></u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	90,046	-	7,787,778	7,877,824
Current assets	490,321	5,680	4,191	500,192
Creditors due within one year	(200,452)	-	(27,500)	(227,952)
Creditors due in more than one year	-	-	(110,000)	(110,000)
Provisions for liabilities and charges	-	(1,582,000)	-	(1,582,000)
Total	379,915	(1,576,320)	7,654,469	6,458,064

21. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(371,185)	(291,649)
Adjustments for:		
Depreciation	241,621	230,614
Capital grants from DfE and other capital income	(37,179)	(195,861)
Interest receivable	(1,000)	(1,074)
Defined benefit pension scheme cost less contributions payable	149,000	130,000
Defined benefit pension scheme finance cost	41,000	45,000
(Increase)/decrease in debtors	(15,960)	37,853
(Decrease)/increase in creditors	(33,621)	43,137
Loss on the sale of fixed assets	8,658	8,600
Net cash (used in)/provided by operating activities	(18,666)	6,620

22. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	(27,500)	(27,500)
Net cash used in financing activities	(27,500)	(27,500)

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23. Cash flows from investing activities

	2019 £	2018 £
Interest received	1,000	1,074
Purchase of tangible assets	(62,093)	(311,044)
Capital grants from DfE Group	37,179	195,861
Net cash used in investing activities	(23,914)	(114,109)

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	274,950	345,809
Notice deposits (less than 3 months)	104,125	103,346
Total cash and cash equivalents	379,075	449,155

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 Somerset County Council. 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.

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

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

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

The employer's pension costs paid to TPS in the year amounted to £212,000 (2018 - £203,000).

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

Under the definitions set out in FRS 102, the TPS is 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 £161,000 (2018 - £127,000), of which employer's contributions totalled £126,000 (2018 - £95,000) and employees' contributions totalled £ 35,000 (2018 - £29,000). The agreed contribution rates for future years are 20.9% for employers and 5.5%-12.5% 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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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
<i>Retiring today</i>		
Males	22.9	24.0
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	24.6	26.3
Females	25.8	27.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(80)	(65)
Discount rate -0.1%	82	67
Mortality assumption - 1 year increase	136	104
Mortality assumption - 1 year decrease	(131)	(100)
CPI rate +0.1%	72	58
CPI rate -0.1%	(70)	(57)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities and gilts	1,249,000	1,083,000
Other bonds	149,000	127,000
Property	132,000	124,000
Cash and other liquid assets	97,000	67,000
Total market value of assets	1,627,000	1,401,000

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25. Pension commitments (continued)

The actual return on scheme assets was £106,000 (2018 - £55,000).

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

	2019 £	2018 £
Current service cost	(237,000)	(230,000)
Past service cost	(38,000)	(10,000)
Interest income	38,000	33,000
Interest cost	(79,000)	(78,000)
Total amount recognised in the Statement of Financial Activities	(316,000)	(285,000)

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

	2019 £	2018 £
At 1 September	2,983,000	3,023,000
Current service cost	237,000	230,000
Interest cost	79,000	78,000
Employee contributions	35,000	30,000
Actuarial losses/(gains)	358,000	(321,000)
Benefits paid	(40,000)	(67,000)
Past service costs	38,000	10,000
At 31 August	3,690,000	2,983,000

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

	2019 £	2018 £
At 1 September	1,401,000	1,274,000
Interest income	38,000	33,000
Actuarial gains	67,000	21,000
Employer contributions	126,000	110,000
Employee contributions	35,000	30,000
Benefits paid	(40,000)	(67,000)
At 31 August	1,627,000	1,401,000

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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:

	Academy Trust 2019 £	Academy Trust 2018 £
Within 1 year	27,848	25,345
Between 1 and 5 years	101,406	11,309
	<u>129,254</u>	<u>36,654</u>

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.

28. General Information

Whitstone School Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Whitstone School, Charlton Road, Shepton Mallet, Somerset, BA4 5PF.

29. Related party transactions

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

The following related party transactions took place in the year:

Mrs Millward, a close family member of Trustee Mr J Millward, is employed as a Learning Support Assistant. Mrs Millward's appointment was made in open competition and Mr J Millward was not involved in the decision making process. Mrs Millward is paid within normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

During the year the Academy Trust invoiced Eurilait Limited, a company in which Trustee Mr J Millward is the Managing Director, for leisure centre memberships for its staff totalling £3,112.08 (2018: £2,046). A balance of £Nil (2018: £180) was receivable from Eurilait Limited at the year end.

During the year the Academy Trust received a donation of £2,000 from a Trustee. This donation is restricted to music use only.

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30. Agency arrangements

The Academy Trust distributes Mendip Support School Alliance funds to Schools as an agent for the Local Authority. In the accounting period ended 31 August 2019 the Academy Trust received £Nil (2018: £Nil) and disbursed £11,580 (2018: £18,180) from the fund. An amount of £Nil (2018: £16,640) is included in other creditors relating to undistributed funds that are payable to the Schools.