

Registrar

Registered number
07645774

Warren Road Primary School
(A Company Limited by Guarantee)

Report and Accounts

31 August 2012
(for the period from 24th May 2011)



Warren Road Primary School
Report and accounts
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Warren Road Primary School

Reference and Administrative Details of the Academy, its Governors and Advisors

Governors

C J Tarhan (Chair of Governors) *
 S J Meckiff (Headteacher and Accounting Officer) *
 N G Webb (Chair of Budget, Finance & Pay Committee) *
 M P Leng (Responsible Officer)
 T C J Andrews * (resigned 19 July 2012)
 M P R Bailey
 M Barette
 R V Booth
 K Brelsford
 A B Edwards (resigned 16 November 2011)
 J S English (appointed 16 November 2011)
 A Fruin
 W A Grant *
 T L Harvey (appointed 16 November 2011)
 R A Jackson
 S K Jeremy
 J A Keene (appointed 16 November 2011)
 E J Porter
 S M Smith (resigned 16 November 2011)

* members of the Budget, Finance & Pay Committee

Senior Management Team

Headteacher	S J Meckiff
Deputy Head teacher	T Fletcher
Deputy Head teacher	L Turner
Assistant Head teacher	S Palmer
Business Manager	L White

Auditors

UHY Kent LLP
 t/a UHY Hacker Young
 Thames House
 Roman Square
 Sittingbourne
 Kent ME10 4BJ

Bankers

Lloyds TSB
 177-179 High Street
 Town Centre
 Orpington
 Kent
 BR6 0LJ

Solicitors

Veal Wasbrough Vizards
 Orchard Court
 Orchard Lane
 Bristol BS1 5WS

Registered Office

Warren Road Primary School
 Warren Road
 Orpington
 Kent
 BR6 6JF

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Warren Road Primary School

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Governors' Report

The Governors present their annual report and auditors' report of the Academy Trust for the period 24th May 2011 to 31 August 2012. The Academy Trust is known as Warren Road Primary School.

Structure, governance and management

Constitution

The Academy Trust was incorporated on 24 May 2011 as a company limited by guarantee and an exempt charity. The academy trust's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 12 to the financial statements.

Principal Activities

The Academy Trust took over the operation of Warren Road Primary School on the school's conversion to academy status on 1 July 2011. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 4 and 11.

Method of Recruitment and Appointment or Election of Governors

Under the terms of its Articles, the Academy Trust shall have the following Governors:

- Up to eight Governors appointed by the Members,
- Any Staff Governors, appointed through such process as the Members may determine, provided the total number does not exceed one third of the total number of Governors,
- Up to one Local Authority Governor appointed by the Local Authority,
- A minimum of four Parent Governors elected by parents of registered pupils at Warren Road Primary School,

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Governors' Report

- Up to three Co-opted Governors may be appointed by the Governors who have not themselves been co-opted, and
- The Headteacher,

A Governor's term of office is four years (excluding the Headteacher) but a Governor is eligible for re-election or re-appointment at the end of their term

Appropriate training is provided to all new Governors, as required

The Governors who were in office at 31 August 2012 and served throughout the year, except where shown, are listed on page 1

Policies and Procedures Adopted for the Induction and Training of Governors

Following their appointment all new Governors receive an introduction to their role from the Chair and the Headteacher, an induction pack and are allocated a mentor from the Governing Body. A training package is purchased from Bromley Governor Services providing training courses for all Governors as well as an induction programme for new Governors. All new Governors are actively encouraged to take advantage of this resource in order to gain a better understanding of their role and responsibilities. In addition, Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training. Subscription to the National Governor Association has been arranged and all governors receive regular newsletters and have access to information, updates and advice on the NGA website.

Organisation Structure

The organisational structure consists of three levels: the Governors, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in the decision making at all levels.

The Governors are responsible for the strategic management of the Academy Trust, making decisions about key aspects including strategic direction, annual budgets and targets, capital expenditure, senior staff appointments and policy changes. A number of these roles and responsibilities have been delegated to a small number of committees whilst the full Governing Body retains responsibility for certain aspects.

The Senior Leadership Team comprises the Headteacher, two Deputy Headteachers and Assistant Headteacher, together with the Business Manager. These managers control the Academy Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment boards. For posts in the Senior Leadership Team the appointment board will always contain a Governor.

The Middle Management Team includes Subject Leaders, Year Leaders and Lead Practitioners. Along with the Senior Leadership Team these managers are responsible for the day to day operation of the Academy Trust, in particular organising the teaching staff, facilities and pupils.

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Risk Management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they had adequate insurance cover. The Academy Trust has an effective system of internal financial controls.

Connected Organisations, Including Related Parties

There is a Parent Teacher Association, Warren Road School PTA, established as a separately registered charity, registration number 1087164, which organises various fundraising events to provide additional resources for the pupils. The Academy has also been appointed a National Teaching School by the National College and as such formed the Warren Teaching School Alliance (WTSA) in partnership with a number of local schools.

Objectives and Activities**Objects and Aims**

The principal object of the Academy Trust is the operation of Warren Road Primary School to provide education for pupils between the ages of 4 and 11.

Objective, Strategies and Activities

The Academy Trust's main strategy is encompassed in its school vision which is "Aiming for excellence within a happy, caring community for all" with the following values:

- Inspiring creative minds and an enthusiasm for discovery,
- Encouraging persistence, independence and high expectations,
- Instilling respect and an understanding of social and moral responsibility,
- Promoting a strong sense of community where everyone is valued as an individual,
- Ensuring all can learn within a safe, stimulating and supportive environment,
- Building the courage to embrace risk and continually question,
- Equipping all with the skills to adapt to the future,
- Valuing, encouraging and celebrating achievement in all its forms,
- Providing opportunity and challenge within and beyond the curriculum,
- Appreciating the environment and committing to sustainability
- Fostering spiritual and cultural awareness, and
- Making learning fun

The main objectives of the Academy Trust during the period ended 31 August 2012 are summarised below:

- To raise the standard of reading across the school by 3%,
- To ensure all staff are confident in the use of the VLE (Virtual Learning Environment) at home and school,
- To improve assessment by using vertical moderation for consistency,
- To ensure a smooth transition for all 4 year olds for September 2011,

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- To continue to improve attendance,
- To develop as a Teaching School, and
- To continue to improve the learning environment to facilitate teaching and learning

Public Benefit

Warren Road Primary School is a state funded primary school which provides and strives to promote and support the advancement of education to primary school aged children within the wider Orpington area

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. The Governors believe that the Academy Trust's aims are demonstrably to the public benefit, but, wherever possible, the school also aims to contribute to the benefit of the wider public through the provision of incidental educational and other activities. Over the year the contributions that benefitted the local community included the following

- the Christ Church Community Project,
- the school choir singing at two local nursing homes,
- establishing links to local community groups to plant bulbs on common ground,
- the use of High Elms facilities,
- STEM club with St Olaves Grammar School,
- the Harris Hospice Arts project, and
- providing work experience for students from local secondary schools

Equal Opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution of needs of all people are fully valued.

Disabled Persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the ground floor areas of the Academy Trust buildings. The policy of the Academy Trust is to support recruitment and retention of pupils and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Achievements and Performance

The Governors were very pleased with the main academic achievement in the period, which can be summarised as follows

	School Results	Bromley Results
English Level 4+	92%	88%
Mathematics Level 4+	95%	86%
Science Level 4+	98%	90%

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Going Concern

After making appropriate enquiries, the Governing Body 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 Statement of Accounting Policies.

Key Financial Performance Indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Deliver a surplus at year end,
- Distribute expenditure, excluding salaries, evenly throughout the year,
- Actual expenditure to closely correlate with budgeted expenditure,
- Minimise expenditure through smarter procurement,
- Maximise income earned on cash deposits,
- Generate additional income through outreach work and donations, and
- Reduce energy usage and costs

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

Financial Review

During the period the Academy Trust inherited the assets and liabilities in hand on 1st July 2011, the date of conversion to academy status. A net donation of £8,015,635 is included within income in the Statement of Financial Activities, in accordance with the Education Funding Agency ("EFA") Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund, all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is included within Restricted Funds income as a negative donation in accordance with the EFA Accounts Direction.

Most of the Academy Trust's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2012, total expenditure of £3,552,497 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year was £8,128,804.

Income on the General Annual Grant (GAG) fund was £3,152,349, and after expenditure of £3,048,403 and capital purchases out of the GAG of £31,333, the balance carried forward at 31 August of £72,613 fell easily within the 12% carry forward restriction.

At 31 August 2012, the net book value of fixed assets was £8,308,530 and movements in tangible fixed assets are shown in note 13 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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Governors' Report

Financial and Risk Management Objectives and Policies

The Academy trust uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Academy Trust's operations.

Liquidity risk - the trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing. Surplus cash is invested so as to maximise interest income.

Interest rate risk - the trust earns interest on cash deposits and with interest rates currently low, the Governors will take appropriate action to ensure they maximise the income from these deposits.

Credit risk is managed through regular contact with funders. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Principal Risks and Uncertainties

The main risks that the Academy Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and avoidance plans.

Strategic and Reputational - This covers unfavourable Ofsted reports, risk of uncontrollable events and insufficient demand for Academy service. Competition from other schools with similar objects and little scope for differentiation can have an effect. Also includes the capacity of existing buildings to deliver teaching and learning to pupils.

Finance Risk - The risk of the Academy Trust not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are risks also in connection with the deficit on the Local Government Pension Scheme ("LGPS") although the Governors are comfortable with the current level of employer contributions the Academy Trust is required to pay.

Reserves Policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Governors have determined that the permitted level of free reserves for recurrent costs should be maintained in order 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.

Financial Position

The Academy Trust held fund balances at 31 August 2012 of £7,921,804.

These funds included restricted fixed asset funds of £8,308,530, other restricted funds of £72,613 and unrestricted funds of £196,661.

Additionally there is a pension fund reserve with a deficit of £656,000. This does not mean that an immediate liability crystallises. The deficit results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income.

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Plans for Future Periods

The Governors' main plans for future periods are

- To increase the progress of pupils with special needs, including the more able, to above norm for schools in similar circumstances,
- To continue to improve differentiation by task, especially in writing by increasing the percentage of Level 4+ writers from 89 1% to 92% and Level 5+ from 32 8% to 40%,
- To continue to improve attendance to above 96%,
- To develop the Warren Teaching School Alliance as a sustainable service,
- To continue to improve the learning environment to facilitate teaching and learning, and
- To improve Performance Management systems to increase ownership

Disclosure of Information to Auditors

In so far as the Governors are aware

- there is no relevant audit information of which the Academy Trust's auditor is unaware, and
- the Governors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

The auditors, UHY Hacker Young, have indicated their willingness to remain in office. The audit process will be reviewed in detail and re-appointment of the auditors will be considered following the forthcoming Annual General Meeting.

This report was approved by the Governing Body on 11.12.12 and signed on its behalf by



C J Tarhan
Chair of Governors

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Governance Statement**Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Warren Road Primary School 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 Governing Body has delegated the day-to-day responsibility to Susan Meckiff, 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 Warren Road Primary School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the Statement of Governors' responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
S J Meckiff (Headteacher and Accounting Officer)	4	4
M P Leng (Responsible Officer)	3	4
T C J Andrews (resigned 19 July 2012)	4	4
M P R Bailey	2	4
M Barette	2	4
R V Booth	4	4
K Brelsford	4	4
J S English (appointed 16 November 2011)	3	3
A Frum	2	4
W A Grant	1	4
T L Harvey (appointed 16 November 2011)	2	3
R A Jackson	2	4
S K Jeremy	3	4
J A Keene (appointed 16 November 2011)	3	3
E J Porter	4	4
S M Smith (resigned 16 November 2011)	1	1
C J Tarhan (Chair of Governors)	4	4
N G Webb (Chair of Budget, Finance & Pay Committee) *	3	4

During the period since 1 July 2011 three governors have resigned and three new governors have been appointed. The committee structure has been reviewed and a new model will be implemented in September 2012 which drives school improvement and maximises the effectiveness of committees. The new model comprising four small committees all reporting into the Governing Body, will focus more on attainment and the School's stakeholders.

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Governance Statement

The Budget, Finance & Pay Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound financial management. The Budget, Finance & Pay Committee has formally met 8 times during the period under review. Attendance at Committee meetings during the year was as follows

	Meetings attended	Out of a possible
N G Webb (Chair of Budget, Finance & Pay Committee)	6	8
S J Meckiff (Headteacher and Accounting Officer)	8	8
T C J Andrews	8	8
W A Grant	4	8
C J Tarhan	8	8
and in his capacity as RO		
M P Leng	6	7

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Warren Road Primary School for the period ended 31 August 2012 and up to the date of approval of the Annual Report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 period ending 31 August 2012 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body,
- regular reviews by the Budget, Finance & Pay 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

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Governance Statement

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed M P Leng, a Governor, as Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

During the period ended 31 August 2012 the RO function has been fully delivered in line with the requirements of the Education Funding Agency.

Review of Effectiveness

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

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

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

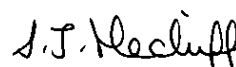
This report was approved by the Governing Body on 11.12.12 and signed on its behalf by



C J Tarhan
Chair of Governors



N G Webb
Chair of Budget, Finance &
Pay Committee



S J Meckliff
Headteacher and
Accounting Officer

Warren Road Primary School
Statement on Regularity, Propriety and Compliance

As Accounting Officer of Warren Road Primary School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



S J Meckiff
Headteacher and Accounting Officer

Warren Road Primary School**Registered number:** 07645774**Statement of Governors' Responsibilities**

The Governors (who act as trustees for charitable activities of Warren Road Primary School and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 academy trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy Trust 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 the EFA/DfE/YPLA have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy Trust'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 Governing Body on ^{date} 11.12.12 and signed on its behalf by



C J Tarhan
Chair of Governors

Warren Road Primary School

Independent Auditors' report to the Members of Warren Road Primary School

We have audited the accounts of Warren Road Primary School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

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 the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Governors and Auditors

As explained on page 13 the Governors (who act as trustees for the charitable activities of Warren Road Primary School and are also the directors for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit

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

Opinion on the Accounts

In our opinion the accounts

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2012 and of its incoming resources and application of resources for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other Matters Prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

Warren Road Primary School

Independent Auditors' report to the Members of Warren Road Primary School

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Allan Hickie BSc ACA
(Senior Statutory Auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants and Statutory Auditors
14 December 2012

Thames House
Roman Square
Sittingbourne
Kent ME10 4BJ

Warren Road Primary School

Independent Reporting Accountant's Assurance Report on Regularity to Warren Road Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the period ended 31 August 2012 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 Warren Road Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Warren Road Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Warren Road Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Warren Road Primary School's Accounting Officer and the Reporting

The Accounting Officer is responsible, under the requirements of Warren Road Primary School's funding agreement with the Secretary of State for Education dated 30 June 2011 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period ended 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Warren Road Primary School

**Independent Reporting Accountant's Assurance Report on Regularity to
Warren Road Primary School and the Education Funding Agency**

Our work has included the following

- an assessment of the risk of material irregularity, impropriety and non-compliance relating to the Academy Trust's activities,
- reviewing the Financial Management and Governance Evaluation completed by the Academy Trust during the period,
- a review and assessment of internal controls, systems and policies in place at the Academy Trust,
- holding discussions with the Accounting Officer to determine how she has been able to make her declaration with regard to regularity and impropriety,
- substantive testing and analytical review procedures, as deemed necessary and as part of our standard external audit engagement and which can also be relied upon for this report on regularity, and
- requesting and receiving confirmation from the EFA that there is no information that they are aware of that may impact upon the planning and subsequent delivery of the regularity assurance engagement

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

UHY Kent LLP

Allan Hickie BSc ACA
for and on behalf of
UHY Kent LLP
Chartered Accountants
14 December 2012

Thames House
Roman Square
Sittingbourne
Kent ME10 4BJ

Warren Road Primary School

Statement of Financial Activities for the period from 24 May 2011 to 31 August 2012

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
- Voluntary income	3	54,643	-	-	54 643
- Voluntary income – transfer from Local Authority on conversion	3	99,091	(424,000)	8,340,544	8,015 635
- Activities for generating funds	4	277,561	-	-	277 561
Investment income	5	468	-	-	468
<i>Incoming resources from charitable activities</i>					
- Funding for the Academy's educational operations	6	-	3 309 347	23 647	3,332 994
Total incoming resources		<u>431,763</u>	<u>2,885 347</u>	<u>8,364,191</u>	<u>11,681,301</u>
Resources expended					
<i>Cost of generating funds</i>					
- Costs of activities for generating funds	7	234,729	1,870	-	236,599
<i>Charitable activities</i>					
- Academy's educational operations	8	373	3,209,767	86,994	3,297,134
Governance costs	9	-	18,764	-	18,764
Total resources expended		<u>235,102</u>	<u>3,230,401</u>	<u>86,994</u>	<u>3,552,497</u>
Net incoming(outgoing) resources before transfers		196,661	(345,054)	8 277,197	8,128 804
Gross transfers between funds	16	-	(31,333)	31,333	-
Net incoming(outgoing) resources before other recognised gains and losses		196,661	(376,387)	8,308,530	8,128,804
Actuarial losses on defined benefit pension schemes	21	-	(207,000)	-	(207,000)
Net movement in funds		<u>196,661</u>	<u>(583,387)</u>	<u>8,308,530</u>	<u>7,921,804</u>
Funds carried forward at 31 August 2012		<u>196,661</u>	<u>(583,387)</u>	<u>8,308,530</u>	<u>7,921,804</u>

All of the Academy Trust's activities derive from acquisitions in the current financial period

Warren Road Primary School
Balance Sheet as at 31 August 2012

	Notes	2012 £
Fixed assets		
Tangible assets	13	8,308,530
Current assets		
Debtors	14	105,805
Cash at bank and in hand		<u>350,139</u>
		455,944
Creditors, amounts falling due within one year	15	(186,670)
Net current assets		<u>269,274</u>
Net assets excluding pension liability		8,577,804
Provisions for liabilities		
Pension scheme liability	21	(656,000)
Net assets including pension scheme liability		<u><u>7,921,804</u></u>
Funds of the academy		
<i>Restricted funds</i>		
- Fixed asset fund	16	8,308,530
- General Annual Grant fund	16	72,613
- Pension reserve	16	(656,000)
- Other restricted funds	16	-
Total restricted funds		<u><u>7,725,143</u></u>
<i>Unrestricted funds</i>		
- General fund		<u>196,661</u>
Total unrestricted funds		<u><u>196,661</u></u>
Total funds	16	<u><u>7,921,804</u></u>

The financial statements were approved by the Governors, and authorised for issue on 11.12.12 and are signed on their behalf by



C J Tarhan
Chair of Governors

Warren Road Primary School
Cash Flow Statement
for the period from 24 May 2011 to 31 August 2012

		2012 £
Reconciliation of operating profit to net cash inflow from operating activities		
Net income for the period per Statement of Financial Activities		8,128,804
Depreciation	13	86,994
Cash impact of transfer on conversion		(65,930)
Capital grants and other capital income		(8,364,191)
Interest receivable	5	(468)
FRS 17 pension cost less contributions payable	21	4,000
FRS 17 pension finance costs	21	21,000
Increase in debtors		(105,805)
Increase in creditors		186,670
Inherited pension scheme deficit	25	424,000
Net cash inflow from operating activities		<u><u>315,074</u></u>
CASH FLOW STATEMENT		
Net cash inflow from operating activities		315,074
Returns on investments and servicing of finance	19	468
Capital expenditure	19	(31,333)
Cash transferred on conversion to an academy trust	25	65,930
Increase in cash		<u><u>350,139</u></u>
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the period		350,139
Change in net debt	20	<u><u>350,139</u></u>
Net funds at 24 May 2011		<u><u>-</u></u>
Net funds at 31 August 2012		<u><u>350,139</u></u>

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosures of remuneration received by Staff Governors under employment contracts - see note 11 for details). A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to Academy Status

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Warren Road Primary School to the Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

Going Concern

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

Incoming Resources

Grants Receivable

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

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

1 Accounting Policies - continued

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Details of the assets donated are provided in note 13 to the financial statements.

Resource Expended

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

- Costs of generating funds - these are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities - these are costs incurred on the Academy Trust's educational operations
- Governance costs - these include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

Tangible Fixed Assets and Depreciation

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Leasehold buildings	over 125 year term of the lease
Fixtures, fittings and equipment	25%
ICT equipment	33 33%

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.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

1 Accounting Policies - continued

Leasing Commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Taxation

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

Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of 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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency and Education Funding Agency.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

2 General Annual Grant (GAG)

2012

£

Results and carry forward for the period

GAG allocation for current period	3,152,349
Total GAG available to spend	3,152,349
Recurrent expenditure from GAG	(3,048,403)
Fixed assets purchased from GAG	(31,333)
GAG carried forward to next year	72,613

Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)

(378,282)

GAG to surrender to DfE/EFA

(12% rule breached if result is positive)

(305,669)

no breach

3 Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
Fixed assets inherited on conversion	-	8,337,167	8,337,167
Transfer of opening LGPS liability (see note 25)	-	(424,000)	(424,000)
Transfer of other assets on conversion (see note 25)	99,091	3,377	102,468
	99,091	7,916,544	8,015,635
Other donations	54,643	-	54,643
	153,734	7,916,544	8,070,278

4 Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
School trips income	11,998	-	11,998
School journey income	62,726	-	62,726
Catering income	141,843	-	141,843
Hire of facilities	36,521	-	36,521
Other income	24,473	-	24,473
	277,561	-	277,561

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2012
	£	£	£
Short term deposits	468	-	468
	468	-	468

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

6 Funding for the Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA capital grant			
Devolved capital grant	-	23,647	23,647
	-	23,647	23,647
DfE/EFA revenue grants			
General Annual Grant (GAG) (note 2)	-	3,152,349	3,152,349
Pupil Premium	-	29,713	29,713
	-	3,182,062	3,182,062
Other Government grants			
Other government grants	-	127,285	127,285
	-	127,285	127,285
	-	3,332,994	3,332,994

7 Resources Expended

	Staff Costs (£)	Non Pay Expenditure Premises (£)	Other Costs (£)	Total 2012 £
Costs of activities for generating funds				
- Trips and Journeys	-	-	82,098	82,098
- Allocated support costs	3,757	2,479	-	6,236
- Catering costs	-	-	148,265	148,265
	3,757	2,479	230,363	236,599
Academy's educational operations				
- Direct costs	2,314,673	82,644	114,190	2,511,507
- Allocated support costs	415,283	233,502	136,842	785,627
	2,729,956	316,146	251,032	3,297,134
Governance costs including allocated support costs				
- 2% allocation of clerical staff costs	3,757	-	-	3,757
- 5% allocation of occupancy costs	-	6,197	-	6,197
- legal, professional and audit costs	-	-	8,810	8,810
	3,757	6,197	8,810	18,764
	2,737,470	324,822	490,205	3,552,497

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

8 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<i>Direct Costs</i>			
Teaching and educational support staff costs	-	2,314,673	2,314,673
Depreciation	-	82,644	82,644
Books, apparatus and stationery	-	64,739	64,739
Staff development	-	13,392	13,392
Educational consultancy	-	21,089	21,089
Other direct costs	-	14,970	14,970
	<u>-</u>	<u>2,511,507</u>	<u>2,511,507</u>
<i>Allocated Support Costs</i>			
Support staff costs	373	393,910	394,283
Depreciation	-	4,350	4,350
Recruitment and support	-	6,410	6,410
Maintenance of premises and equipment	-	132,505	132,505
Cleaning	-	9,872	9,872
Rent and rates	-	27,180	27,180
Heat and light	-	43,188	43,188
Insurance	-	35,015	35,015
Non-educational external advice	-	31,400	31,400
Security	-	2,525	2,525
Technology costs	-	15,399	15,399
Bank interest and charges	-	1,537	1,537
Defined benefit pension scheme finance costs	-	21,000	21,000
Other support costs	-	60,963	60,963
	<u>373</u>	<u>785,254</u>	<u>785,627</u>
	<u>373</u>	<u>3,296,761</u>	<u>3,297,134</u>

9 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Auditor's remuneration			
- audit of financial statements	-	6,950	6,950
- other services	-	1,860	1,860
Support costs	-	9,954	9,954
	<u>-</u>	<u>18,764</u>	<u>18,764</u>

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

10 Staff Costs

Staff costs during the period were	2012
	£
Wages and salaries	2,151,779
Social security costs	149,138
Pension costs	318,459
	<u>2,619,376</u>
Supply teacher costs	82,017
	<u><u>2,701,393</u></u>

	2012
	Number
Teachers	39
Administration and support	76
Management	5
	<u>120</u>

The number of employees whose emoluments fell within the following annualised band was

	2012
	Number
£90,000 +	<u><u>1</u></u>

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £13,322.

11 Governors' Remuneration

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy Trust in respect of their role as Governors. Full disclosure of the Headteacher's and individual Staff Governors' remuneration in line with the requirements of the Academies Accounts Direction 2011/12 and the Charities SORP has not been provided on the grounds that disclosure of this information may compromise the Academy Trust's ability to retain and attract Staff Governors. The total value of Staff Governors' remuneration under employment contracts was £163,698.

12 Governors and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors 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 and the cost for the period ended 31 August 2012 was £1,159.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

13 Tangible Fixed Assets

	Leasehold Land and buildings £	Furniture & equipment £	Computer equipment & software £	£
Cost				
Transfer on conversion	8,238,867	63,350	34,950	8,337,167
Additions	22,732	13,330	22,295	58,357
At 31 August 2012	<u>8,261,599</u>	<u>76,680</u>	<u>57,245</u>	<u>8,395,524</u>
Depreciation				
Charge for the period	49,779	20,458	16,757	86,994
At 31 August 2012	<u>49,779</u>	<u>20,458</u>	<u>16,757</u>	<u>86,994</u>
Net book value				
At 31 August 2012	<u>8,211,820</u>	<u>56,222</u>	<u>40,488</u>	<u>8,308,530</u>

14 Debtors

	2012 £
Trade debtors	80
Other debtors	77,922
Other taxes and social security costs	27,803
	<u>105,805</u>

15 Creditors: Amounts falling due within one year

	2012 £
Other taxes and social security costs	40,742
Other creditors	145,928
	<u>186,670</u>

Deferred Income

Resources deferred in the period	65,000
Deferred income at 31 August 2012	<u>65,000</u>

The deferred income above relates to income received for the Collaborative Teaching Schools Project which will be expended in the 2012/13 academic year

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

16 Funds

	Incoming Resources	Resources Expended	Gains, losses & transfers	Balance at 31 August 2012
Restricted general funds				
General Annual Grant (GAG) (note (i))	3,152,349	(3,048,403)	(31,333)	72,613
Other DfE/EFA grants (note (ii))	29,713	(29,713)	-	-
Other government grants (note (iii))	127,285	(127,285)	-	-
Pension Reserve (note (iv))	(424,000)	(25,000)	(207,000)	(656,000)
	<u>2,885,347</u>	<u>(3,230,401)</u>	<u>(238,333)</u>	<u>(583,387)</u>
Restricted fixed asset funds (note (v))				
DfE/EFA capital grants	27,024	(158)	-	26,866
Donated fixed asset fund	8,337,167	(81,538)	-	8,255,629
Capital expenditure from GAG	-	(5,298)	31,333	26,035
	<u>8,364,191</u>	<u>(86,994)</u>	<u>31,333</u>	<u>8,308,530</u>
Total restricted funds	<u>11,249,538</u>	<u>(3,317,395)</u>	<u>(207,000)</u>	<u>7,725,143</u>
Unrestricted funds				
Unrestricted funds	431,763	(235,102)	-	196,661
Total unrestricted funds	<u>431,763</u>	<u>(235,102)</u>	<u>-</u>	<u>196,661</u>
Total funds	<u>11,681,301</u>	<u>(3,552,497)</u>	<u>(207,000)</u>	<u>7,921,804</u>

Notes

(i) General Annual Grant must be used for the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy Trust, but any balance over 2% must be used for capital purposes.

(ii) The other DfE/EFA grants fund is used to track non-GAG grants received from the EFA, the DfE or executive agencies of the DfE, and includes Pupil Premium.

(iii) The other government grants fund is used to track grants provided by other government departments and includes matrix funding.

(iv) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.

(v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The gross transfer from the restricted general fund to the restricted fixed asset fund of £31,333 represents the total capital expenditure from the General Annual Grant (GAG) during the period.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

17 Analysis of Net Assets Between Funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets	-	-	8,308,530	8,308,530
Current assets	196,661	259,283	-	455,944
Current liabilities	-	(186,670)	-	(186,670)
Pension scheme liability	-	(656,000)	-	(656,000)
	<u>196,661</u>	<u>(583,387)</u>	<u>8,308,530</u>	<u>7,921,804</u>

18 Other Financial Commitments

At 31 August 2012 the Academy Trust had no material annual commitments under non-cancellable operating leases

19 Gross Cash Flows

	2012 £
Returns on investments and servicing of finance	
Interest received	<u>468</u>
Capital expenditure	
Payments to acquire tangible fixed assets	(54,980)
Capital grants from DfE/EFA	<u>23,647</u>
	<u>(31,333)</u>

20 Analysis of Changes in Net Funds

	At 24 May 2011 £	Cash flows £	Non-cash changes £	At 31 Aug 2012 £
Cash at bank and in hand	-	350,139	-	350,139
Total	<u>-</u>	<u>350,139</u>	<u>-</u>	<u>350,139</u>

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

21 Pensions and Similar Obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Bromley Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

21 Pensions and Similar Obligations - continued

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013 - 14 and 2014 - 15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £143,000 of which employer's contributions totalled £113,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 21.3 per cent for employers and between 5.5 and 7.5 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year.

The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The major assumptions used by the actuary were

	At 31 August 2012
Rate of increase in salaries	4.1%
Rate of increase in pensions in payment/inflation	1.9%
Discount rate for scheme liabilities	3.9%
Inflation assumption (CPI)	1.9%

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

21 Pensions and Similar Obligations - continued

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

	At 31 August 2012
<i>Retiring today</i>	
Males	22.2
Females	26.2
<i>Retiring in 20 years</i>	
Males	24.4
Females	28.3

Both the discount rate applied on the defined benefit obligation and the mortality assumption are subject to a degree of subjectivity, and the following sensitivity analysis indicates the impact of a small change in either the discount rate or mortality assumptions

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
- Present value of total obligation	1,290,000	1,329,000	1,369,000
- Projected service cost	121,000	125,000	130,000
Adjustment to mortality age rating assumption	+ 1 year	None	- 1 year
- Present value of total obligation	1,283,000	1,329,000	1,375,000
- Projected service cost	120,000	125,000	130,000

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

	Expected returns at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.8%	539,000
Gilts	2.8%	20,000
Bonds	3.9%	94,000
Cash	0.5%	20,000
Total Market Value of Assets		673,000
Present value of scheme liabilities		(1,329,000)
Deficit in the Scheme		<u>(656,000)</u>

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

21 Pensions and Similar Obligations - continued

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £61,000.

Amounts recognised in the Statement of Financial Activities

	2012 £
Current service cost (net of employee contributions)	117,000
Total operating charge	117,000

Analysis of pension finance income (costs)

Expected return on employer's share of scheme assets	42,000
Interest on pension liabilities	(63,000)
Pension finance income (costs)	(21,000)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities.

The cumulative amount of actuarial gains and losses recognised in the Statement of Recognised Gains and Losses since the adoption of FRS 17 is £207,000.

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

	2012 £
Opening defined benefit obligation	895,000
Movement in period	
Current service cost	117,000
Interest cost	63,000
Employee contributions	30,000
Actuarial loss	224,000
At 31 August 2012	1,329,000

Movements in the Fair Value of Academy Trust's share of Scheme Assets:

	2012 £
Opening fair value of scheme assets	471,000
Expected return on assets	42,000
Actuarial gain	17,000
Employer contributions	113,000
Employee contributions	30,000
At 31 August 2012	673,000

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

21 Pensions and Similar Obligations - continued

The estimated value of employer contributions for the year ended 31 August 2012 is £96,000

History of experience adjustments

	2012 £
Present value of defined benefit obligations	(1,329,000)
Fair value of share of scheme assets	673,000
Deficit in the scheme	<u>(656,000)</u>

22 Contingent Liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to

(a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

23 Related Parties

No transactions were undertaken with the Governors, or any businesses in which the Governors have business interests, during the period

24 Ultimate Controlling Party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Governing Body. There is no ultimate controlling party.

Warren Road Primary School
Notes to the Accounts
for the period from 24 May 2011 to 31 August 2012

25 Conversion to an Academy Trust

On 1st July 2011 Warren Road Primary School converted to academy trust status under the Academies Act 2010, and all of the operations and assets and liabilities were transferred to the Academy Trust from The London Borough of Bromley for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Fund £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	8,238,867	8,238,867
- Other tangible fixed assets	-	-	98,300	98,300
Cash balances transferred on LA funds	32,801	-	-	32,801
Cash balances transferred on other school funds	33,129	-	-	33,129
LGPS pension deficit	-	(424,000)	-	(424,000)
Other identified assets and liabilities	33,161	3,377	-	36,538
Net assets/liabilities	<u>99,091</u>	<u>(420,623)</u>	<u>8,337,167</u>	<u>8,015,635</u>

The above net assets include £65,930 transferred as cash

On conversion to academy status the Academy Trust inherited the long term leasehold interest in the school land and buildings from the Local Authority. The risks and rewards of ownership having transferred to the Academy Trust, the land and buildings are included as a gift in kind for the period at their gross value to the academy as at £8,238,867. The value used is the valuation as at 31 August 2012 provided by a qualified surveyor, commissioned by the EFA for the purposes of the Whole of Government Accounts Return. The Governors are of the opinion that this value is not materially different to the value at the date of conversion. Buildings to the value of £5,316,500 are included in fixed asset additions on this basis. The Academy Trust also inherited the freehold interest in the school playing fields, and this land is included as a gift in kind at £2,922,367.

Other tangible fixed assets donated on conversion are shown within furniture, plant and equipment and computer equipment and software, and have been included at a total value of £98,300 based on the Governors estimate of their gross value to the Academy Trust.

The LGPS pension deficit has been included using the opening deficit on a FRS 17 basis, as calculated by an appropriately qualified actuary.

Warren Road Primary School
Detailed Income Account
for the period from 24 May 2011 to 31 August 2012
for the information of the Governors only

	2012
	£
General Annual Grant (GAG)	3,152,349
DfE capital grants	23,647
Other DfES grants	
Pupil Premium	29,713
	<u>29,713</u>
Other government grants	
Other government grants	127,285
	<u>127,285</u>
Voluntary income	
Transfer of fixed assets on conversion	8,337,167
Transfer of other assets on conversion	102,468
Other donations	54,643
Opening LGPS liability inherited	(424,000)
	<u>8,070,278</u>
Other income	
Catering income	141,843
School journey income	62,726
School trips income	11,998
Hire of facilities	36,521
Other income	24,473
Interest receivable	468
	<u>278,029</u>
Total income	<u><u>11,681,301</u></u>

Warren Road Primary School
Detailed Expenditure Account
for the period from 24 May 2011 to 31 August 2012
for the information of the Governors only

	2012 £
Staff costs	
Teaching	1,876,944
Educational support	437,729
- Premises	107,900
- Admin & clerical	187,829
- Midday supervision	90,991
- Other staff related costs	11,077
Total GAG staff costs	<u>2,712,470</u>
Maintenance of premises	
Buildings maintenance	79,136
Grounds maintenance	34,761
	<u>113,897</u>
Other occupancy costs	
Cleaning and refuse	10,615
Water	12,605
Light and heat	46,439
Rates	16,621
Insurance	37,651
Security	2,525
Less allocated to costs of generating funds	<u>126,456</u>
Educational supplies and services	
Books	5,360
Stationery and materials	59,379
Fees for external educational advice	21,089
Other	14,970
	<u>100,798</u>
Balance carried forward to next page	3,053,621

Warren Road Primary School
Detailed Expenditure Account
for the period from 24 May 2011 to 31 August 2012
for the information of the Governors only

	2012 £
Balance brought forward	3,053,621
Other supplies and services	
Auditors' remuneration	8,810
Bank interest and charges	1,537
Pupil recruitment	6,410
Non-educational external advice	31,400
Other support costs	49,369
	<u>97,526</u>
Furniture and equipment	
Equipment not capitalised	16,490
Repairs and maintenance	2,118
	<u>18,608</u>
Technology costs (not capitalised)	
Hardware	15,399
	<u>15,399</u>
Staff development	<u>13,392</u>
OTHER EXPENDITURE	
Other educational expenditure	11,594
	<u>11,594</u>
DEPRECIATION	<u>86,994</u>
OTHER EXPENDITURE - COSTS OF GENERATING FUNDS	
Trips	14,566
Journeys	67,532
Catering	148,265
	<u>230,363</u>
FRS17 LGPS COSTS	
LPGS FRS 17 operating charge	4,000
LGPS FRS 17 finance costs	21,000
	<u>25,000</u>
TOTAL EXPENDITURE	<u><u>3,552,497</u></u>