

Registrar

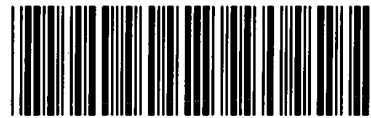
Company Registration Number: 07645774 (United Kingdom)

Warren Road Primary School
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017

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Warren Road Primary School**(A company limited by guarantee)**

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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2017

Members	M.P. Leng (resigned 11 July 2017) M. Barette (resigned 11 July 2017) R.V. Booth (resigned 11 July 2017) V. Sackett R. Hulme (appointed 11 July 2017) A. Johnson (appointed 11 July 2017) P. Reddin (appointed 11 July 2017)
Trustees	V. Sackett, Chair of Trustees R. Edmonds, Headteacher and Accounting Officer ¹ M.P. Leng, Vice Chair and Chair of Finance & HR Committee ¹ (resigned 11 July 2017) M. Barette (resigned 11 July 2017) R.V. Booth (resigned 11 July 2017) A. Corstorphine (appointed 11 July 2017) S. Fernando ¹ R. Hulme A. Johnson (appointed 6 December 2016) C. Knowles, Staff Trustee (resigned 31 December 2016) F. Musanhu, ¹ S. Palmer, Staff Trustee (appointed 11 July 2017) P. Reddin J. Salacinski (appointed 11 July 2017) J. Thomas, Staff Trustee (appointed 11 July 2017) C. Williams, Staff Trustee (resigned 11 July 2017) H. Yu ¹ members of the Finance & HR Committee
Company registered number	07645774
Company name	Warren Road Primary School
Principal and registered office	Warren Road Orpington Kent. BR6 6JF
Independent auditors	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants & Statutory Auditors Thames House, Roman Square Sittingbourne Kent. ME10 4BJ
Senior management team	R. Edmonds, Headteacher T. Fletcher, Deputy Headteacher S. Palmer, Assistant Headteacher J. Thomas, Assistant Headteacher J. Waterman, Deputy Headteacher L. White, School Business Manager
Bankers	Lloyds TSB 177-179 High Street Town Centre Orpington, Kent BR6 0LJ
Solicitors	Vealc Wasbrough Vizards Orchard Court Orchard Lane Bristol. BS1 5WS

Warren Road Primary School
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Trustees' Report
For the Year Ended 31 August 2017

The trustees present their annual report and auditors' report of the academy trust for the year 1 September 2016 to 31 August 2017. 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 Memorandum and Articles of Association are the primary governing documents of the academy trust.

The trustees of the academy trust are also the directors for the purposes of company law.

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.

Trustees' Indemnities

The academy trust maintains trustees' and officers' liability insurance, which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees 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 trustees or other officers may incur to third parties in the course of acting as trustees 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 Trustees

Under the terms of its Articles, the academy trust shall have the following trustees:

- Up to eight trustees appointed by the members;
- Any Staff Trustees, appointed through such process as the members may determine, provided the total number does not exceed one third of the total number of trustees;
- Up to one Local Authority Trustee appointed by the Local Authority;
- Minimum of four Parent Trustees elected by parents of registered pupils at Warren Road Primary School;
- Up to three Co-opted Trustees may be appointed by the trustees who have not themselves been co-opted; and
- The Headteacher;

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

Appropriate training is provided to all new trustees, as required.

The trustees who were in office at 31 August 2017 and served throughout the year, except where shown, are included in the Reference and Administrative Details on page 1.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment all new trustees receive an introduction to their role from the Chair and the Headteacher, an induction pack and are allocated a mentor from the Governing Body. Training is provided by Octavo who has taken over the role formerly provided by the local authority. All new trustees are actively encouraged to take advantage of this resource in order to gain a better understanding of their role and responsibilities. In addition, trustees with specific roles within the Governing Body are strongly encouraged to undertake specific training. As a member of the National Governor Association all trustees 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 trustees, the Senior Leadership Team and Middle Management. The aim of the management structure is to devolve responsibility and encourage involvement in the decision making at all levels.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

The trustees 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 trustees retain responsibility for certain aspects.

The Senior Leadership Team comprises the Headteacher, two Deputy Headteachers and two Assistant Headteachers, together with the Business Manager. These managers control the academy trust at an executive level implementing the policies laid down by the Trustees 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 trustee.

The Middle Management Team includes Subject Leaders and Year Group Leaders. 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.

Arrangements for setting pay and remuneration of Key Management Personnel

The Pay Committee decides the pay of the leadership team based on their performance management and overall performance. Pay is set against the leadership scales and criteria detailed in the STPCD. Performance management of the leadership team is managed by the headteacher with targets set, monitored and reviewed. The performance management and remuneration of the headteacher is decided by the Pay Committee, remuneration is decided against the leadership scale and criteria in the STPCD.

Risk Management

The trustees 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 trustees 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 have 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 is also a National Teaching School appointed by the National College. The Warren Teaching School Alliance (WTSA) was formed in 2012 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:

"Excellence 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.

Warren Road Primary School
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Trustees' Report (continued)
For the Year Ended 31 August 2017

The main objectives of the academy trust during the year ended 31 August 2017 are summarised below:

1. Embed the higher expectations of the new primary curriculum and continue to raise standards
2. Continue to improve the quality of teaching to ensure all teaching and learning is consistently good with a higher proportion of outstanding provision
3. Further develop strategies to promote children's health, safety and well-being
4. Strengthen and develop links and collaboration across the local and wider community
5. Sustain and build the school's capacity to continue provide the highest quality provision

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 trustees have given careful consideration to the Charity Commission's strategic framework, 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 benefited the local community included the following:

- use of the school for adult education and community groups;
- STEM club opportunities with St Olave's Grammar School;
- donations of food to the Orpington Food Bank;
- the work of our Junior Road Safety Officers improving safe access to school;
- participation in the Young Eco Engineers project as part of the Medway Business Partnership;
- taking on the leadership of the Bromley Primary Schools' Cross-Country Association;
- fund raising for the RNLI, Children in Need, Comic Relief and NSPCC; and
- provide work experience for students from local secondary schools.

Equal Opportunities

The trustees 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.

STRATEGIC REPORT

Achievements and Performance

The trustees were delighted with the main academic achievement in the period, which can be summarised, as follows, for children reaching age related expectations at the end of KS2:

	School Results	National Results
Reading	90%	71%
Writing	88%	76%
Grammar, Punctuation and Spelling	93%	77%
Mathematics	94%	75%
Science	96%	83%

Key progress measures were above national averages in writing and significantly above for mathematics and reading. Improvements in writing have been notable, in April the school was designated a TalkforWriting training centre reflecting the high quality literacy teaching in the school.

The school continues to provide excellent all round provision across the curriculum including a wide ranging extra-curricular programme. In July 2017 the school won the World Wildlife Fund's Green Ambassador School of the Year.

Going Concern

After making appropriate enquiries, the trustees have 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Key Financial Performance Indicators

The trustees consider that the following are key performance indicators for the academy trust:

- Deliver a balanced budget;
- 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, school lettings and donations; and
- Reduce energy usage and costs.

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

Financial Review

Most of the academy trust's recurrent income is obtained from the Education Skills & Funding Agency ("ESFA") in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2017 the trust received total income of £4.06m. This was an increase on the prior year income of £3.91m.

The total income was not sufficient to cover expenditure of £4.19m, leaving net expenditure for the year of £124k, as shown on the Statement of Financial Activities ("SOFA"). It is important to note that this includes a net reduction of £108k on restricted fixed asset funds, arising due to a depreciation charge of £129k, a non-cash movement which writes off the cost of capitalised assets, and notably the school buildings, over their useful lives.

It is therefore preferable to focus on the result on revenue funds which was a more positive surplus of £92k, however this revenue result is difficult to see on the SOFA. This is because (a) the result is split between restricted and unrestricted funds and (b) restricted funds on the SOFA also include movement in the pension reserve for non-cash FRS 102 pension costs of £108k which form part of the overall movement in the Local Government Pension Scheme (LGPS) liability during the year.

As explained in the accounting policies section of the financial statements, the LGPS is a funded defined benefit pension scheme and a provision for estimated pension liabilities is included in the academy trust's Balance Sheet. The overall net reduction in funds of £75k therefore includes an actuarial gain on the LGPS of £49k. This gain makes a very small impact on the large actuarial loss in the previous year, and is line with the movements seen by most academies after the triennial revaluation of the LGPS to 31 March 2016. Overall, the movement on the LGPS liability during the year from actuarial gains and other FRS 102 pension costs is an increase of £59k.

For the record we note again the impact of the exceptional items, particularly the revaluation of the land and buildings. in the prior year, which led to the very high net increase in funds in 2015/16.

At 31 August 2017, the net book value of fixed assets was £9.99m and movements in tangible fixed assets are shown in note 13 to the financial statements. During the year the assets were used almost exclusively for providing education and the associated support services to the pupils of the academy, the only exceptions to this being limited letting of the premises to local community groups.

Financial Position

The academy trust held fund balances at 31 August 2017 of £9.29m. These funds included restricted fixed asset funds of £10m, restricted revenue funds of £18k and unrestricted revenue funds of £397k.

Additionally the pension reserve is in deficit by £1.124m at the year end. The slight increase in this deficit during the year has been explained in the financial review above. This deficit does not mean that an immediate liability crystallises. The accounting deficit has no direct effect on the employer contribution rate paid by the school, which is determined using longer-term funding assumptions.

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.

The existence of these financial instruments exposes the academy trust to a number of financial risks which are described in more detail below. The main risks arising from the trust's financial instruments are liquidity risk, cash flow and interest rate risk.

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.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Financial and Risk Management Objectives and Policies - cont

- *Interest rate risk* - the trust earns interest on cash deposits and with interest rates currently low, the trustees 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. It 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 trustees are comfortable with the current level of employer contributions the academy trust is required to pay. Levels of contributions are being closely monitored.

Reserves Policy

The trustees 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 trustees have determined that the permitted level of free reserves for recurrent costs should be maintained at £200k 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. The Trust is also aware of the potential challenges to funding through the new national funding formula.

Financial Governance and oversight

The Governors of the Resources Committee meet half termly to discuss detailed reports provided by the Headteacher and School Business Manager on all aspects of financial and HR management. The Academy has appointed external accountants to carry out interim and final audits to ensure unqualified accounts are delivered at the end of the financial year. Tight financial management control and procedures have been identified and are now embedded as the school completes its seventh year as an Academy. Contingencies are held within the budget to allow for increasing costs and predicted future challenges to funding. The Finance Officer continues to shadow the School Business Manager (Chief Financial Officer) in her role to ensure that succession planning is in place.

Better purchasing

All major purchases are monitored and approved by the Governors' Finance Committee, and are in line with the objectives laid down in the School Improvement Plan. Tender processes are in place for all purchases over £5,000 with three quotations being secured and decided upon by the Governors' Finance Committee. Decisions not to opt for the cheapest quotation are only taken in specific circumstances and reasons are clearly agreed and reported.

The Academy works in collaboration with local primary schools to secure value for money through economies of scale. The Finance Officer regularly sources alternative quotes from three providers for the purchase of all resources to ensure best value is achieved in all cases. A school charge card is used to achieve best value through internet purchases. All our Service Level Agreements and contracts are reviewed annually for quality of provision, cost-effectiveness and value for money, and no leasing contracts are in operation. Benchmarking is carried out with local schools to ensure cost effectiveness in areas such as staffing, ICT, photocopying, consumable and Supply costs. During the year, Independent were appointed as the new catering contractors after a full tendering process.

Income generation

The Academy is proactive in securing additional income through the letting of its four school halls during the lunch break and after school, together with an Evening Class programme. The school now runs its own before and after school and holiday provision which has generated valuable additional revenue as well as improved provision with increased use of the school's facilities. The Orpington Chinese Language School continued to use the school for the teaching of Mandarin to both native and non-native speakers.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Income generation – cont.

The PTA is very supportive in funding specific projects that benefit all our pupils, and have this year funded improvements and essential maintenance works in the school's swimming pool. Our Teaching School has now completed its fifth year and continues to provide additional income through its CPD programme, as well as additional professional development opportunities for school staff, so ensuring that they are very well trained, kept up to date with best practice and are fully equipped to fulfil their role to provide the highest quality education for all children at Warren Road.

Disclosure of Information to Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditor is unaware; and
- the trustees 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 trustees on 28 November 2017 and signed on their behalf by:



V. Sackett
Chair of Trustees

R. Edmonds
Headteacher and Accounting Officer

Warren Road Primary School
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Governance Statement

Scope of Responsibility

As trustees, 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 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 Warren Road Primary School 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
V. Sackett, Chair of Trustees	4	4
R. Edmonds, Headteacher and Accounting Officer	4	4
M.P. Leng, Vice Chair, Chair of Finance & HR Committee	4	4
M. Barette	3	3
R.V. Booth	2	4
S. Fernando	4	4
R. Hulme	3	4
C. Knowles, Staff Trustee	2	2
F. Musanhu	2	4
P. Reddin	4	4
C. Williams, Staff Trustee	3	3
H. Yu	3	4
A. Johnson	3	3
N. Charles-Lewis	1	1
J. Salacinski	1	1
A. Corstorphine	1	1
S. Palmer, Staff Trustee	1	1
J. Thomas	1	1

The Resources Committee is a sub-committee of the main board of trustees. 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 Resources Committee's remit includes the functions of an audit committee. The Resources Committee has formally met 4 times during the period under review. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
M.P. Leng	4	4
R. Edmonds, Headteacher and Accounting Officer	4	4
A. Johnson	3	3
F. Musanhu	3	4
S. Fernando	4	4

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Governance Statement (continued)

Review of Value for money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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'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 has delivered improved value for money during the year by:

- Providing high quality professional development for all staff to ensure we continue to provide the highest quality education for all children.
- Strengthening collaboration with primary and secondary schools including multi-academy trusts.
- Continuing to expand the use of the premises after school and at weekends so adult education and other groups can rent the school's facilities and increase revenue for the school as well as provide more opportunities within the local community.
- Continuing to review all contracts the school has with outside providers to ensure work any work undertaken is completed to a high standard and rates charged are competitive against other providers.

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 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 year 1 September 2016 to 31 August 2017 and up to the date of the approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed UHY Kent LLP t/a UHY Hacker Young, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year ended 31 August 2017 the risks to internal control have been fully delivered in line with the requirements of the Education Funding Agency, and the appointee has delivered their schedule of work as planned. No material control issues have arisen from the appointee's work.

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Governance Statement (continued)

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:

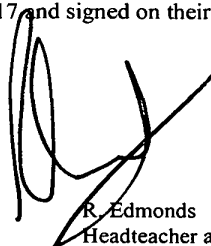
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 28 November 2017 and signed on their behalf, by:



V. Sackett
Chair of Trustees



R. Edmonds
Headteacher and Accounting Officer

Warren Road Primary School

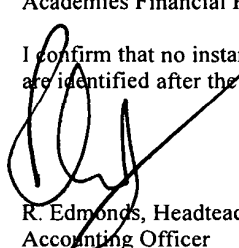
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Warren Road Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



R. Edmonds, Headteacher and Accounting Officer
Accounting Officer

Date: 28 November 2017

Warren Road Primary School

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**Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017**

The Trustees (who act as governors of Warren Road Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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:



V. Sackett
Chair of Trustees

Date: 28 November 2017

Warren Road Primary School

(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Warren Road Primary School

Opinion

We have audited the financial statements of Warren Road Primary School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Warren Road Primary School

(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Warren Road Primary School

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 Auditor's 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. The description forms part of our Auditor's report.



Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date:

14 December 2017.

Warren Road Primary School

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Warren Road Primary School during the year 1 September 2016 to 31 August 2017 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Warren Road Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Warren Road Primary School and the ESFA, 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 accountant

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 extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Warren Road Primary School for the year ended 31 August 2017 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Warren Road Primary School

(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Warren Road Primary School and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Kent LLP

UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *14 December 2017*

Warren Road Primary School

(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	31,033	-	20,965	51,998	131,303
Charitable activities:	3					
Academy trust educational operations		474,791	3,404,855	-	3,879,646	3,656,010
Teaching schools		64,648	40,000	-	104,648	116,865
Other trading activities	4	26,113	-	-	26,113	4,160
Investments	5	876	-	-	876	1,109
Total income		597,461	3,444,855	20,965	4,063,281	3,909,447
Expenditure on:						
Charitable activities:						
Academy trust educational operations		394,063	3,566,753	128,688	4,089,504	3,703,271
Teaching schools		57,420	40,000	271	97,691	104,036
Total expenditure	8	451,483	3,606,753	128,959	4,187,195	3,807,307
Net income / (expenditure) before transfers		145,978	(161,898)	(107,994)	(123,914)	102,140
Transfers between Funds	16	(4,874)	-	4,874	-	-
Net income / (expenditure) before other recognised gains and losses		141,104	(161,898)	(103,120)	(123,914)	102,140
Gains on revaluations of fixed assets	13	-	-	-	-	1,542,882
Actuarial gains/(losses) on defined benefit pension schemes	20	-	49,000	-	49,000	(429,000)
Net movement in funds		141,104	(112,898)	(103,120)	(74,914)	1,216,022
Reconciliation of funds:						
Total funds brought forward		256,178	(992,841)	10,100,017	9,363,354	8,147,332
Total funds carried forward		397,282	(1,105,739)	9,996,897	9,288,440	9,363,354

The notes on pages 20 to 39 form part of these financial statements.

Warren Road Primary School**(A company limited by guarantee)****Registered number: 07645774**

Balance Sheet**As at 31 August 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		9,994,062		10,080,997
Current assets					
Debtors	14	91,639		70,149	
Cash at bank and in hand		551,406		529,959	
		<u>643,045</u>		<u>600,108</u>	
Creditors: amounts falling due within one year	15	(224,667)		(252,751)	
Net current assets			418,378		347,357
Total assets less current liabilities			<u>10,412,440</u>		<u>10,428,354</u>
Defined benefit pension scheme liability	20		(1,124,000)		(1,065,000)
Net assets including pension scheme liabilities			<u><u>9,288,440</u></u>		<u><u>9,363,354</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	18,261		72,159	
Restricted fixed asset funds	16	9,996,897		10,100,017	
		<u>10,015,158</u>		<u>10,172,176</u>	
Restricted income funds excluding pension liability					
Pension reserve	16	(1,124,000)		(1,065,000)	
		<u></u>		<u></u>	
Total restricted income funds			8,891,158		9,107,176
Unrestricted income funds	16		397,282		256,178
Total funds			<u><u>9,288,440</u></u>		<u><u>9,363,354</u></u>

The financial statements on pages 17 to 39 were approved by the Trustees, and authorised for issue, on 28 November 2017 and are signed on their behalf, by:



V. Sackett
Chair of Trustees

Warren Road Primary School**(A company limited by guarantee)**

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	41,630	229,736
Cash flows from investing activities:			
Dividends, interest and rents from investments		876	1,109
Purchase of tangible fixed assets		(42,024)	(143,645)
Capital grants from DfE/ESFA		13,484	68,420
Capital funding received from sponsors and others		7,481	25,000
Net cash used in investing activities		(20,183)	(49,116)
Change in cash and cash equivalents in the year		21,447	180,620
Cash and cash equivalents brought forward		529,959	349,339
Cash and cash equivalents carried forward	19	551,406	529,959

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Warren Road Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All individual and groups of assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment. Groups of assets are where the assets are purchased as part of one original purchase order or capital project.

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

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

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	over remaining lease term
Fixtures and fittings	-	25% straight line
Computer equipment	-	33.33% straight line
Leasehold improvements	-	4% - 20% straight line

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

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

1. Accounting Policies (continued)

1.7 Revaluation of tangible fixed assets

The academy has adopted the revaluation model to revalue items of property, plant and equipment whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and machinery is usually their market value determined by appraisal.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity.

The academy has adopted the cost model whereby items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2017. 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.

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	31,033	-	7,481	38,514	62,883
Capital grants	-	-	13,484	13,484	68,420
	<u>31,033</u>	<u>-</u>	<u>20,965</u>	<u>51,998</u>	<u>131,303</u>
<i>Analysis of 2016 total by fund</i>	<u>37,883</u>	<u>-</u>	<u>93,420</u>	<u>131,303</u>	

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Academy's educational operations	474,791	3,404,855	3,879,646	3,656,010
Teaching schools	64,648	40,000	104,648	116,865
	<u>539,439</u>	<u>3,444,855</u>	<u>3,984,294</u>	<u>3,772,875</u>
<i>Analysis of 2016 total by fund</i>	<u>325,885</u>	<u>3,446,990</u>	<u>3,772,875</u>	

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,086,248	3,086,248	3,121,666
Other DfE/ESFA grants	-	234,071	234,071	222,103
	-	3,320,319	3,320,319	3,343,769
Other government grants				
Local authority grants	-	67,814	67,814	42,232
Other government grants	-	16,722	16,722	10,839
	-	84,536	84,536	53,071
Other income from the academy trust's educational operations				
Catering	77,582	-	77,582	83,417
Before and after school clubs	254,920	-	254,920	54,870
Educational lettings	39,596	-	39,596	40,199
Educational trips	70,299	-	70,299	71,682
Other income	32,394	-	32,394	9,002
	474,791	-	474,791	259,170
Total 2017	474,791	3,404,855	3,879,646	3,656,010
<i>Analysis of 2016 total by fund</i>	<i>259,170</i>	<i>3,396,840</i>	<i>3,656,010</i>	

4. Trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Charity trading income				
Receipts from supply teacher insurance claims	12,399	-	12,399	1,824
Catering profit share	12,000	-	12,000	-
Other activities	1,714	-	1,714	2,336
	26,113	-	26,113	4,160
	26,113	-	26,113	4,160

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	876	-	876	1,109
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Analysis of 2016 total by fund</i>	<i>1,109</i>	<i>-</i>	<i>1,109</i>	
	<hr/>	<hr/>	<hr/>	

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Academy's educational operations	394,062	3,687,404	4,081,466	3,703,271
Teaching schools	57,421	48,308	105,729	104,036
	<hr/>	<hr/>	<hr/>	<hr/>
	451,483	3,735,712	4,187,195	3,807,307
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Analysis of 2016 total by fund</i>	<i>418,578</i>	<i>3,388,729</i>	<i>3,807,307</i>	
	<hr/>	<hr/>	<hr/>	

7. Analysis of expenditure by activities

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations	3,022,740	1,058,726	4,081,466	3,703,271
Teaching schools	73,780	31,949	105,729	104,036
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	3,096,520	1,090,675	4,187,195	3,807,307
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Analysis of 2016 total</i>	<i>2,868,360</i>	<i>938,947</i>	<i>3,807,307</i>	
	<hr/>	<hr/>	<hr/>	

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academy's educational operations £	Teaching schools £	Total 2017 £	Total 2016 £
Staff development and training	17,785	457	18,242	21,503
Educational supplies	87,776	-	87,776	127,135
Staff related insurance	20,000	-	20,000	21,486
Technology costs	14,800	80	14,880	679
Educational consultancy	250	20,521	20,771	41,240
Other direct costs	66,216	-	66,216	65,714
Wages and salaries	2,139,398	48,540	2,187,938	1,962,891
National insurance	182,645	1,512	184,157	142,276
Pension cost	371,630	2,670	374,300	330,405
Depreciation	122,240	-	122,240	155,031
	<u>3,022,740</u>	<u>73,780</u>	<u>3,096,520</u>	<u>2,868,360</u>
<i>Analysis of 2016 total</i>	<u>2,779,533</u>	<u>88,827</u>	<u>2,868,360</u>	

Analysis of support costs

	Academy's educational operations £	Teaching schools £	Total 2017 £	Total 2016 £
Staff costs	533,455	17,154	550,609	452,178
Depreciation	6,448	271	6,719	8,160
Staff expenses	3,826	-	3,826	6,086
Technology costs	7,087	-	7,087	9,953
Maintenance of premises	41,111	-	41,111	38,807
Special facilities	12,615	-	12,615	2,528
Cleaning and caretaking	14,846	-	14,846	14,958
Rates	26,661	-	26,661	26,180
Energy	34,848	-	34,848	36,640
Security	2,410	-	2,410	1,476
Catering	209,202	6,729	215,931	205,299
Non-educational consultancy	70,014	-	70,014	43,194
Legal and professional fees	14,697	-	14,697	11,210
Governance costs	14,448	650	15,098	14,474
Other support costs	67,058	7,145	74,203	67,804
	<u>1,058,726</u>	<u>31,949</u>	<u>1,090,675</u>	<u>938,947</u>
<i>Analysis of 2016 total</i>	<u>923,738</u>	<u>15,209</u>	<u>938,947</u>	

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

8. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Academy's educational operations:					
Direct costs	2,693,673	44,729	284,338	3,022,740	2,779,533
Support costs	533,455	134,845	390,426	1,058,726	923,738
Teaching schools:					
Direct costs	52,722	-	21,058	73,780	88,827
Support costs	17,154	-	14,795	31,949	15,209
	<u>3,297,004</u>	<u>179,574</u>	<u>710,617</u>	<u>4,187,195</u>	<u>3,807,307</u>
<i>Analysis of 2016 total</i>	<u>2,887,750</u>	<u>167,672</u>	<u>751,885</u>	<u>3,807,307</u>	

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	128,959	163,191
Auditors' remuneration - audit	7,560	7,340
Auditors' remuneration - other services	3,210	5,345
	<u>139,729</u>	<u>175,876</u>

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

10. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,447,374	2,238,542
Social security costs	205,755	159,043
Pension costs	555,881	426,307
	<hr/>	<hr/>
Supply teacher costs	3,209,010	2,823,892
	87,994	63,858
	<hr/>	<hr/>
	3,297,004	2,887,750
	<hr/>	<hr/>

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

	2017 No.	2016 No.
Teachers	39	39
Support staff	102	97
Management	6	6
	<hr/>	<hr/>
	147	142
	<hr/>	<hr/>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	33	31
Support staff	40	41
Management	6	6
	<hr/>	<hr/>
	79	78
	<hr/>	<hr/>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	1	1
In the band £ 90,001 - £ 100,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £25,598 (2016: £25,107).

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £438,451 (2016: £424,153).

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

11. Trustees' remuneration and expenses

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

		2017 £	2016 £
R. Edmonds, Headteacher	Remuneration	90,000-95,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
J.A. Keene, Staff Trustee	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000
C. Knowles, Staff Trustee	Remuneration	5,000-10,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
C. Williams, Staff Trustee	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
J. Thomas, Staff Trustee	Remuneration	5,000-10,000	-
	Pension contributions paid	0-5,000	-
S. Palmer, Staff Trustee	Remuneration	5,000-10,000	-
	Pension contributions paid	0-5,000	-

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £49 (2016 - £NIL) were reimbursed to 1 Trustee (2016 - £NIL).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,884 (2016 - £1,517).

Warren Road Primary School

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Notes to the Financial Statements For the Year Ended 31 August 2017

13. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2016	9,781,749	471,854	147,969	217,002	10,618,574
Additions	-	9,531	16,995	15,498	42,024
At 31 August 2017	9,781,749	481,385	164,964	232,500	10,660,598
Depreciation					
At 1 September 2016	219,749	60,425	97,275	160,128	537,577
Charge for the year	47,083	22,426	21,294	38,156	128,959
At 31 August 2017	266,832	82,851	118,569	198,284	666,536
Net book value					
At 31 August 2017	9,514,917	398,534	46,395	34,216	9,994,062
At 31 August 2016	9,562,000	411,429	50,694	56,874	10,080,997

Cost or valuation at 31 August 2017 is as follows:

	Land and buildings £
At cost	8,238,867
At valuation:	
31 August 2016 ESFA revaluation	1,542,882
	9,781,749

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	8,238,867	8,238,867
Accumulated depreciation	(261,871)	(219,749)
Net book value	7,976,996	8,019,118

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

14. Debtors

	2017	2016
	£	£
Trade debtors	309	914
VAT repayable	27,881	27,933
Prepayments and accrued income	63,449	41,302
	<u>91,639</u>	<u>70,149</u>

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,664	-
Other taxation and social security	53,083	48,523
Other creditors	54,743	49,677
Accruals and deferred income	115,177	154,551
	<u>224,667</u>	<u>252,751</u>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	80,203	84,496
Resources deferred during the year	78,275	80,203
Amounts released from previous years	(80,203)	(84,496)
Deferred income at 31 August 2017	<u>78,275</u>	<u>80,203</u>

At the balance sheet date the academy trust was holding funds received in advance of 2017/18 for Universal Infant Free School Meals and childcare vouchers.

Warren Road Primary School

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Notes to the Financial Statements For the Year Ended 31 August 2017

16. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	188,773	532,740	(394,063)	-	-	327,450
Warren Road Teaching School Alliance	67,405	64,721	(57,420)	(4,874)	-	69,832
	<u>256,178</u>	<u>597,461</u>	<u>(451,483)</u>	<u>(4,874)</u>	<u>-</u>	<u>397,282</u>
Restricted funds						
General Annual Grant	66,254	3,086,248	(3,141,289)	-	-	11,213
Other DfE/ESFA grants	5,905	274,071	(272,928)	-	-	7,048
Other government grants	-	84,536	(84,536)	-	-	-
Pension reserve	(1,065,000)	-	(108,000)	-	49,000	(1,124,000)
	<u>(992,841)</u>	<u>3,444,855</u>	<u>(3,606,753)</u>	<u>-</u>	<u>49,000</u>	<u>(1,105,739)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	19,020	13,484	-	(29,669)	-	2,835
Tangible fixed assets	10,080,997	-	(128,959)	42,024	-	9,994,062
Capital donations	-	7,481	-	(7,481)	-	-
	<u>10,100,017</u>	<u>20,965</u>	<u>(128,959)</u>	<u>4,874</u>	<u>-</u>	<u>9,996,897</u>
Total restricted funds	<u>9,107,176</u>	<u>3,465,820</u>	<u>(3,735,712)</u>	<u>4,874</u>	<u>49,000</u>	<u>8,891,158</u>
Total of funds	<u>9,363,354</u>	<u>4,063,281</u>	<u>(4,187,195)</u>	<u>-</u>	<u>49,000</u>	<u>9,288,440</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds	105,936	302,207	(219,370)	-	-	188,773
Warren Road Teaching School Alliance	54,460	66,980	(54,035)	-	-	67,405
	<u>160,396</u>	<u>369,187</u>	<u>(273,405)</u>	<u>-</u>	<u>-</u>	<u>256,178</u>

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

16. Statement of funds (continued)

Restricted funds

General Annual Grant	-	3,121,666	(2,984,672)	(70,740)	-	66,254
Other DfE/ESFA grants	30,686	272,102	(296,883)	-	-	5,905
Other government grants	-	53,072	(53,072)	-	-	-
Pension reserve	(601,000)	-	(35,000)	-	(429,000)	(1,065,000)
	<u>(570,314)</u>	<u>3,446,840</u>	<u>(3,369,627)</u>	<u>(70,740)</u>	<u>(429,000)</u>	<u>(992,841)</u>

Restricted fixed asset funds

DfE/ESFA capital grants	-	68,420	-	(49,400)	-	19,020
Tangible fixed assets	8,557,250	-	(164,275)	145,140	1,542,882	10,080,997
Capital donations	-	25,000	-	(25,000)	-	-
	<u>8,557,250</u>	<u>93,420</u>	<u>(164,275)</u>	<u>70,740</u>	<u>1,542,882</u>	<u>10,100,017</u>
Total restricted funds	<u>7,986,936</u>	<u>3,540,260</u>	<u>(3,533,902)</u>	<u>-</u>	<u>1,113,882</u>	<u>9,107,176</u>
Total of funds	<u>8,147,332</u>	<u>3,909,447</u>	<u>(3,807,307)</u>	<u>-</u>	<u>1,113,882</u>	<u>9,363,354</u>

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

- (i) General Annual Grant ("GAG") must be used for the normal running costs of the academy trust.
- (ii) The other DfE/ESFA grants fund is used to track non-GAG grants received from the ESFA, the DfE or executive agencies of the DfE, and primarily includes Pupil Premium and Universal Infant Free School Meals.
- (iii) The other government grants fund is used to track grants provided by other government departments
- (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 of £4,874 represents the total capital expenditure in the year in excess capital funding received, funded from the Warren Road Teaching School Alliance unrestricted fund.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

17. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,994,062	9,994,062
Current assets	306,607	332,100	4,338	643,045
Creditors due within one year	90,675	(313,839)	(1,503)	(224,667)
Provisions for liabilities and charges	-	(1,124,000)	-	(1,124,000)
	<u>397,282</u>	<u>(1,105,739)</u>	<u>9,996,897</u>	<u>9,288,440</u>

Warren Road Primary School

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Notes to the Financial Statements For the Year Ended 31 August 2017

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	10,080,997	10,080,997
Current assets	461,543	72,159	66,406	600,108
Creditors due within one year	(205,365)	-	(47,386)	(252,751)
Provisions for liabilities and charges	-	(1,065,000)	-	(1,065,000)
	<u>256,178</u>	<u>(992,841)</u>	<u>10,100,017</u>	<u>9,363,354</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(123,914)	102,140
Adjustment for:		
Depreciation charges	128,959	162,780
Dividends, interest and rents from investments	(876)	(1,109)
(Increase)/decrease in debtors	(21,490)	34,720
Decrease in creditors	(28,084)	(10,375)
Capital grants from DfE and other capital income	(20,965)	(93,420)
Defined benefit pension scheme cost less contributions payable	84,000	11,000
Defined benefit pension scheme finance cost	19,000	20,000
Defined benefit pension scheme administration expense	5,000	4,000
Net cash provided by operating activities	<u>41,630</u>	<u>229,736</u>

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	451,406	429,959
Notice deposits (less than 3 months)	100,000	100,000
Total	<u>551,406</u>	<u>529,959</u>

20. Pension commitments

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

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

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

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

20. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. Until this date the employer contribution rate was 14.1%. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £252,000 (2016 - £231,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £241,000 (2016 - £199,000), of which employer's contributions totalled £95,000 (2016 - £143,000) and employees' contributions totalled £46,000 (2016 - £35,000). The agreed contribution rates for future years are 23.3% 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.

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

20. Pension commitments (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	23.3	23.2
Females	26.0	25.6
Retiring in 20 years		
Males	25.9	25.5
Females	28.3	28.5

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,252,000	2,556,000
Discount rate -0.1%	3,378,000	2,662,000
Mortality assumption - 1 year increase	3,374,000	2,654,000
Mortality assumption - 1 year decrease	3,256,000	2,564,000
CPI rate +0.1%	3,380,000	2,662,000
CPI rate -0.1%	3,250,000	2,556,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,671,000	1,152,000
Corporate bonds	307,000	239,000
Cash and other liquid assets	31,000	14,000
Other	182,000	139,000
Total market value of assets	<u>2,191,000</u>	<u>1,544,000</u>

The actual return on scheme assets was £297,000 (2016 - £285,000).

Warren Road Primary School**(A company limited by guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 August 2017**

20. Pension commitments (continued)

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

	2017 £	2016 £
Current service cost	(279,000)	(164,000)
Interest income	35,000	46,000
Interest cost	(54,000)	(66,000)
Admin expenses	(5,000)	(4,000)
Total	(303,000)	(188,000)

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

	2017 £	2016 £
Opening defined benefit obligation	2,609,000	1,674,000
Current service cost	279,000	164,000
Interest cost	54,000	66,000
Employee contributions	46,000	37,000
Actuarial losses	339,000	668,000
Benefits paid	(12,000)	-
Closing defined benefit obligation	3,315,000	2,609,000

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

	2017 £	2016 £
Opening fair value of scheme assets	1,544,000	1,073,000
Interest income	35,000	46,000
Actuarial losses	388,000	239,000
Employer contributions	195,000	153,000
Employee contributions	46,000	37,000
Benefits paid	(12,000)	-
Administrative expenses	(5,000)	(4,000)
Closing fair value of scheme assets	2,191,000	1,544,000

21. 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.

Warren Road Primary School

(A company limited by guarantee)

Notes to the Financial Statements For the Year Ended 31 August 2017

22. Related party transactions

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

During the year the trust received a donation of £31,829 (2016: £56,243), of which £7,481 (2016: £25,000) was capital, from the school Parent Teacher Association, Warren Road School PTA.

During the year the trust received lettings income of £9,249 (2016: £9,368) from the Chinese Language School. The school is run by the wife of a trustee of the trust. The letting is charged at a standard letting price.

23. Ultimate controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.