

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

**Annual Report and Financial Statements**

**For the year ended 31 August 2019**



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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 2019**

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<b>Members</b>	R. Hulme A. Johnson P. Reddin F.Musanhu A.Corstorphine
<b>Trustees</b>	A.Johnson, Chair of Trustees <sup>1</sup> R. Edmonds, Headteacher and Accounting Officer <sup>1</sup> A. Corstorphine R. Hulme F. Musanhu <sup>1</sup> S. Palmer, Staff Trustee P. Reddin J. Salacinski N.Charles-Lewis <sup>1</sup> J. Thomas, Staff Trustee H. Yu <sup>1</sup>  <sup>1</sup> members of the Resources Committee
<b>Company registered number</b>	07645774
<b>Company name</b>	Warren Road Primary School
<b>Principal and registered office</b>	Warren Road Orpington Kent. BR6 6JF
<b>Independent auditors</b>	UHY Kent LLP t/a UHY Hacker Young Chartered Accountants & Statutory Auditors Thames House, Roman Square Sittingbourne Kent. ME10 4BJ
<b>Senior management team</b>	R. Edmonds, Headteacher T. Fletcher, Deputy Headteacher (on sabbatical for the year) S. Palmer, Assistant Headteacher J. Thomas, Assistant Headteacher J. Waterman, Deputy Headteacher L. White, School Business Manager
<b>Bankers</b>	Lloyds TSB 177-179 High Street Town Centre Orpington, Kent BR6 0LJ
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol. BS1 5WS

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**Warren Road Primary School**  
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**Trustees' Report**  
**For the Year Ended 31 August 2019**

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The trustees present their annual report and auditors' report of the academy trust for the year 1 September 2018 to 31 August 2019. 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 2019 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 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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**Warren Road Primary School**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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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 and four Deputy 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.

Details of remuneration paid to key management personnel in the year are provided in note 10(d).

**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 (WarrenTSA) 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.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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The main objectives of the academy trust during the year ended 31 August 2019 are summarised below:

**Teaching and Learning**

- ▶ Sustain and develop high quality teaching and learning, embedding and building current strategies: PHSE, Tfw, Maths and Science.
- ▶ Embed and build '*Challenge for All*' to best meet the needs of all children with a focus on higher attainment and the implementation of Bromley's SEND4Change programme to best support children with additional and special needs.
- ▶ Develop provision in Communication, Language and Literacy.
- ▶ Sustain and develop the broad and ambitious curriculum: its Intent, Implementation and Impact as well as the role of subject leaders in its leadership and management.

**Safeguarding**

- ▶ Implement the updated Keeping Children Safe in Education and its focus on E-Safety.

**Consolidate and build the school's place and impact in the local and wider community**

- ▶ Deliver the 2018/2019 WarrenTSA programme including Tfw.
- ▶ Sustain and develop Beyond (the school's before, after and holiday provision) and wider opportunities for children and adults.
- ▶ Embed and build capacity to sustain and grow the teaching school including the provision of a training centre / community hub.

**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 Trinity School, Croydon and Radnor House 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;
- leading Bromley Primary Schools' Cross-Country Association;
- fund raising for National charities: Jeans for Genes, NSPCC, Children in Need and the RNLI;
- coffee mornings for local residents to provide information about the school and develop community links;
- 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**

The school is committed to the full inclusion of all pupils, parents and staff in its work and is part of the steering group of the leadership engagement group of the Bromley SEND Training Collaborative promoting inclusive practice across Bromley. 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.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**STRATEGIC REPORT**

**Achievements and Performance**

The impact of high quality teaching and learning and the consistent implementation of core teaching strategies has been clear to see. The trustees were delighted with the key academic markers, which can be summarised, as follows, for children reaching age related expectations at the end of KS2:

	<u>School Results</u>	<u>National Results</u>
Reading	95%	73%
Writing	92%	78%
Grammar, Punctuation and Spelling	96%	78%
Mathematics	96%	79%
Science	94%	83%

88% of children at the end of KS2 achieved age related expectations in the combined reading, writing and mathematics measure, and in line with 2018. The attainment of the disadvantaged and SEND groups was similarly impressive with 75% and 67% achieving the combined measure.

Proportions of children reaching the higher standard increased significantly in reading, mathematics and GPS and at levels significantly above Bromley and national benchmarks. 29% of children achieved the combined higher standard in reading, writing and mathematics.

	<u>School Results</u>	<u>National Results</u>
Reading	54%	27%
Writing	35%	20%
Grammar, Punctuation and Spelling	72%	36%
Mathematics	57%	27%

Key progress measures were significantly above national and Bromley benchmarks in reading and mathematics and above average in writing. The progress of the disadvantaged and SEND groups was similarly impressive reflecting the school's commitment to fully inclusive practices.

The school continues to provide excellent all round provision with the exciting and wide-ranging curriculum including an extensive extra-curricular programme. Subject leaders have evaluated the intent, implementation and impact of their respective areas, the further development of which will be a continued priority in 2019/2020. The development of PHSE including children's well-being has continued to be a key aspect of the school's work and underpinning the successes achieved of the academic curriculum.

**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.

**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.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Financial Review**

Most of the academy trust's recurrent income is obtained from the 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 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA"). Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £4.5m, an increase on £4.1m in the previous year. The main reason for the rise in total income was Condition Improvement Funding capital grant of £196k received from the ESFA for improvement works to the school roof. Underlying capital funding also increased due to the Government's one-off additional capital grant for 2018-19.

Excluding capital income, the trust's income for 2018/19 amounted to £4.19m compared to £4.08m in 2017/18. Within this was a small decline in the core General Annual Grant funding but this was largely balanced by a rise in other revenue grants from the ESFA, including the teachers' pay grant awarded for the first time in 2018/19.

The incoming resources for the year have covered total resources expended of £4.4m resulting in net income for the year of £96k (in 2018 total resourced expended exceeded income and resulted in net expenditure of £194k, as shown on the SoFA. The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was a reduction of £592k (2018: increase of £248k). It is important to note that this overall movement in funds does not reflect the meaningful operational result and includes movements that do not relate to day-to-day running of the academy.

Excluding movements on tangible fixed assets, the LGPS defined benefit pension liability and revenue to capital transfers the trust's operational surplus on revenue funds for the year was £138k (2018: £41k), as reconciled from the SoFA below:

		2019 (£000s)	2018 (£000s)
Overall net movement in funds for the year per SoFA		(592)	248
Add:			
Decrease / (increase) attributable to fixed asset fund	See A	(172)	102
LGPS actuarial (gain)/loss	See B	688	(442)
LGPS service and interest costs	See B	214	126
<b>Total movement in year on revenue funds</b>		<b>138</b>	<b>34</b>
Revenue to capital transfers		-	7
<b>Operational surplus /(deficit) on revenue funds</b>		<b>138</b>	<b>41</b>

(A) The movement on restricted fixed asset funds comprises capital grant income received during the year less depreciation charged on capitalised assets purchased from such funds, notably the school buildings. Since these do not relate to day-to-day operational matters the movement on fixed asset funds is excluded from the operational result.

(B) The Balance Sheet carries the trust's share of the deficit on the Local Government Pension Scheme. A detailed report has been prepared by an actuary detailing the movement in the deficit during the year. The movement is in two parts: (1) the actuarial gain relates to movement linked to the assumptions made by the actuary, (2) other movements comprising (i) net interest costs (ii) current service costs - the value of benefits accrued by members over the accounting period less contributions paid and (iii) past service costs for additional benefits granted during the year. Again since the LGPS movement do not relate to operational matters these have been excluded from the operational result. The significant increase in the LGPS liability during 2018-19 relates to a number of issues which are described in note 2 to the financial statements explaining critical accounting estimates and judgements.

At 31 August 2019, the net book value of fixed assets was £9.9m and movements in tangible fixed assets are shown in note 13 to the financial statements.

**Financial position**

The academy trust held fund balances at 31 August 2019 of £8.9m (2018: £9.5m). These funds comprised restricted fixed asset funds of £10.1m (2018: £9.9m), restricted revenue funds of £32k (2018: £8k) and unrestricted revenue funds of £555k (2018: £441k).

The pension reserve deficit of £1.7m (2018: £808k) is the only fund in deficit, and the substantial increase during the year has arisen predominantly due to changes in actuarial assumptions. This deficit does not mean that an immediate liability crystallises; it results in a cash flow effect for the academy trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the trust's free reserves because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions are currently fixed until 1 April 2020.



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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**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.
- *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 eighth 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' Resources 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 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 other schools to ensure cost effectiveness in areas such as staffing, ICT, photocopying, consumable and Supply costs.

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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**Income generation**

The Academy is proactive in securing additional income through the letting of its school halls during the lunch break and after school, together with the Evening Class programme. The school runs Beyond, its own before and after school and holiday provision which has generated valuable additional revenue as well as catering for increasing demand from parents.

The PTA is very supportive in funding specific projects that benefit all our pupils, and has this year contributed £30,000 towards playground improvements. The Teaching School has completed its seventh year and continues to provide additional income through its CPD programme, as well as additional professional development opportunities for school staff. The TalkforWriting training has expanded significantly with schools across London and SE England being supported. We have also continued to support the Bromley SEND training collaborative which includes the Bromley Schools' Collegiate and local authority representatives.

**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 and signed on their behalf by:

A. Johnson  
Chair of Trustees



R. Edmonds  
Headteacher and Accounting Officer



Date : 5 December 2019

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**Warren Road Primary School**  
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**Governance Statement**

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**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 4 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>
A. Johnson, Chair of Trustees	4	4
R. Edmonds, Headteacher and Accounting Officer	4	4
R. Hulme	4	4
F. Musanhu	4	4
P. Reddin	3	4
C. Williams, Staff Trustee	4	4
H. Yu	1	4
N. Charles-Lewis	2	4
J. Salacinski	3	4
A. Corstorphine	3	4
S. Palmer, Staff Trustee	4	4
J. Thomas, Staff Trustee	3	4

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 6 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>
N. Charles-Lewis	5	6
H. Yu	4	6
R. Edmonds, Headteacher and Accounting Officer	6	6
A. Johnson	6	6
F. Musanhu	6	6

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**Warren Road Primary School**  
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**Governance Statement (continued)**

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

**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;
- the review of monthly management accounts;
- 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 periodically perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

During the year ended 31 August 2019 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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**Warren Road Primary School**  
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**Governance Statement (continued)**

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**Review of Effectiveness**

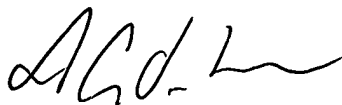
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 and signed on their behalf, by:

A. Johnson  
Chair of Trustees



R. Edmonds  
Headteacher and Accounting Officer



Date: 5 December 2019

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

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**Statement on Regularity, Propriety and Compliance**

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As accounting officer of Warren Road Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr. R. Edmonds  
Accounting Officer

Date: 5 December 2019

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

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**Statement of trustees' responsibilities**  
**For the year ended 31 August 2019**

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

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

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

The 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:

A. Johnson  
(Chair of Trustees)



Date: 5 December 2019

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**Independent Auditor's Report on the financial statements to the Members of Warren Road Primary School**

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**Opinion**

We have audited the financial statements of Warren Road Primary School (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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



**Independent Auditor's Report on the financial statements to the Members of Warren Road Primary School (continued)**

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**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 12 December 2019

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

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In accordance with the terms of our engagement letter dated 25 September 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Warren Road Primary School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

**Approach**

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

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

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

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

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 2019 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.

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

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

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**Conclusion**

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

*UHY Kent LLP*

**UHY Kent LLP**

Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: *12 December 2019*

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

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	37,135	-	269,734	306,869	58,337
Charitable activities	4	518,306	3,316,691	-	3,834,997	3,758,150
Teaching schools	25	114,997	140,909	-	255,906	201,039
Other trading activities	5	61,113	-	-	61,113	74,429
Investments	6	1,335	-	-	1,335	840
<b>Total income</b>		<b>732,886</b>	<b>3,457,600</b>	<b>269,734</b>	<b>4,460,220</b>	<b>4,092,795</b>
<b>Expenditure on:</b>						
Charitable activities	8	389,103	3,651,125	95,916	4,136,144	4,100,744
Teaching schools	25	88,865	137,097	1,620	227,582	186,212
<b>Total expenditure</b>	<b>7</b>	<b>477,968</b>	<b>3,788,222</b>	<b>97,536</b>	<b>4,363,726</b>	<b>4,286,956</b>
<b>Net income/(expenditure)</b>		<b>254,918</b>	<b>(330,622)</b>	<b>172,198</b>	<b>96,494</b>	<b>(194,161)</b>
Transfers between funds	16	(141,545)	141,545	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>113,373</b>	<b>(189,077)</b>	<b>172,198</b>	<b>96,494</b>	<b>(194,161)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	21	-	(688,000)	-	(688,000)	442,000
<b>Net movement in funds</b>		<b>113,373</b>	<b>(877,077)</b>	<b>172,198</b>	<b>(591,506)</b>	<b>247,839</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		441,784	(800,621)	9,895,116	9,536,279	9,288,440
Net movement in funds		113,373	(877,077)	172,198	(591,506)	247,839
<b>Total funds carried forward</b>	<b>16</b>	<b>555,157</b>	<b>(1,677,698)</b>	<b>10,067,314</b>	<b>8,944,773</b>	<b>9,536,279</b>

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

The notes on pages 21 to 42 form part of these financial statements.

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

**Balance Sheet**  
**As at 31 August 2019**

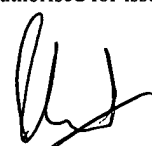
	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	9,887,270	9,895,116
<b>Current assets</b>			
Debtors	14	50,340	107,315
Cash at bank and in hand		1,037,391	587,310
		<u>1,087,731</u>	<u>694,625</u>
Creditors: amounts falling due within one year	15	(320,228)	(245,462)
<b>Net current assets</b>		<u>767,503</u>	<u>449,163</u>
<b>Total assets less current liabilities</b>		<u>10,654,773</u>	<u>10,344,279</u>
Defined benefit pension scheme liability	21	(1,710,000)	(808,000)
<b>Total net assets</b>		<u><u>8,944,773</u></u>	<u><u>9,536,279</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	16	10,067,314	9,895,116
Restricted income funds	16	32,302	7,379
		<u>10,099,616</u>	<u>9,902,495</u>
Restricted funds excluding pension asset	16	10,099,616	9,902,495
Pension reserve	16	(1,710,000)	(808,000)
<b>Total restricted funds</b>	16	<u>8,389,616</u>	<u>9,094,495</u>
<b>Unrestricted income funds</b>	16	<u>555,157</u>	<u>441,784</u>
<b>Total funds</b>		<u><u>8,944,773</u></u>	<u><u>9,536,279</u></u>

The financial statements on pages 18 to 42 were approved by the trustees, and authorised for issue and are signed on their behalf, by:

A. Johnson  
(Chair of Trustees)



R. Edmonds  
(Trustee and Accounting Officer)



Date: 5 December 2019

The notes on pages 21 to 42 form part of these financial statements.

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

**Statement of Cash Flows**  
**For the year ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	298,620	44,480
<b>Cash flows from investing activities</b>	19	151,461	(8,576)
<b>Change in cash and cash equivalents in the year</b>		450,081	35,904
Cash and cash equivalents at the beginning of the year		587,310	551,406
<b>Cash and cash equivalents at the end of the year</b>	20	1,037,391	587,310

The notes on pages 21 to 42 form part of these financial statements

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**1.3 Income**

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

- **Grants**

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

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

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

- **Donations**

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

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

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 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.

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



**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

Depreciation is provided on the following bases:

Long-term leasehold property	- over remaining lease term
Furniture and equipment	- 25% straight line
Computer equipment	- 25% straight line
Other fixed assets	- 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.

**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**

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

Notes to the Financial Statements  
For the year ended 31 August 2019

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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 instrument.

**1.12 Pensions**

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

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

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

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

**1.13 Fund accounting**

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

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

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

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

Notes to the Financial Statements  
For the year ended 31 August 2019

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-19 there has been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

**(1) The "McCloud/Sargeant judgement".** This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 3% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 21, of £129,000.

There will also be an increase in the cost of benefits from 1 September 2019.

**(2) Guaranteed Minimum Pension (GMP).** GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

**(3) Discount rates.** There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

**(4) Mortality assumptions.** Details of the changes in mortality assumptions are shown in note 21. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	37,135	30,000	67,135	44,887
Capital Grants	-	239,734	239,734	13,450
	<u>37,135</u>	<u>269,734</u>	<u>306,869</u>	<u>58,337</u>
<i>Analysis of 2018 by fund</i>	<u>44,887</u>	<u>13,450</u>	<u>58,337</u>	

**4. Funding for the academy trust's academy's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,973,803	2,973,803	3,005,168
Other DfE/ESFA grants	-	261,847	261,847	229,622
	<u>-</u>	<u>3,235,650</u>	<u>3,235,650</u>	<u>3,234,790</u>
<b>Other government grants</b>				
Local authority grants	-	41,533	41,533	46,101
Other government grants	-	39,508	39,508	41,761
	<u>-</u>	<u>81,041</u>	<u>81,041</u>	<u>87,862</u>
<b>Other income from the academy trust's educational operations</b>				
Catering income	-	-	-	17,535
Before and after school club provision	413,983	-	413,983	339,264
Educational trips	77,454	-	77,454	67,692
Other income	26,869	-	26,869	11,007
	<u>518,306</u>	<u>-</u>	<u>518,306</u>	<u>435,498</u>
	<u>518,306</u>	<u>3,316,691</u>	<u>3,834,997</u>	<u>3,758,150</u>
<i>Analysis of 2018 by fund</i>	<u>435,498</u>	<u>3,322,652</u>	<u>3,758,150</u>	

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Lettings	42,383	42,383	40,686
Catering profit share	-	-	21,000
Supply teacher insurance claims	18,730	18,730	12,743
	<u>61,113</u>	<u>61,113</u>	<u>74,429</u>

All income from other trading activities in 2018 related to unrestricted funds.

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Bank interest	1,335	1,335	840

All investment income in 2018 related to unrestricted funds.

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Academy's educational operations:					
Direct costs	2,763,165	69,456	192,941	3,025,562	3,061,385
Allocated support costs	671,470	135,571	303,541	1,110,582	1,039,359
Teaching school	61,487	-	166,095	227,582	186,212
	<u>3,496,122</u>	<u>205,027</u>	<u>662,577</u>	<u>4,363,726</u>	<u>4,286,956</u>
<i>Analysis of 2018 total</i>	<u>3,399,207</u>	<u>204,326</u>	<u>683,423</u>	<u>4,286,956</u>	

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**Notes to the Financial Statements**  
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**8. Analysis of expenditure by activities**

	<b>Direct costs</b> <b>2019</b> £	<b>Support costs</b> <b>2019</b> £	<b>Total</b> <b>funds</b> <b>2019</b> £	<i>Total</i> <i>funds</i> <i>2018</i> £
Academy's educational operations	3,025,562	1,110,582	4,136,144	4,100,744
<i>Analysis of 2018 total</i>	<i>3,061,385</i>	<i>1,039,359</i>	<i>4,100,744</i>	

**Analysis of support costs**

	<b>Total</b> <b>funds</b> <b>2019</b> £	<i>Total</i> <i>funds</i> <i>2018</i> £
Staff costs	671,470	589,455
Technology costs	6,551	13,067
Premises costs	128,140	134,810
Other support costs	288,761	287,315
Governance costs	15,660	14,712
	<b>1,110,582</b>	<i>1,039,359</i>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b> £	<i>2018</i> £
Depreciation of tangible fixed assets	97,536	121,874
Fees paid to auditor for:		
- audit	7,895	7,750
- other services	2,475	3,635

**Warren Road Primary School**  
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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Wages and salaries	2,559,713	2,541,727
Social security costs	214,211	218,754
Pension costs	690,813	607,216
	<u>3,464,737</u>	<u>3,367,697</u>
Agency staff costs	31,385	31,510
	<u>3,496,122</u>	<u>3,399,207</u>

**b. Staff numbers**

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

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	42	40
Support staff	89	90
Management	5	6
	<u>136</u>	<u>136</u>

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	34	32
Support staff	46	47
Management	5	6
	<u>85</u>	<u>85</u>

Notes to the Financial Statements  
For the year ended 31 August 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	1	1

d. Key management personnel

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £414,611 (2018 - £498,893).

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 Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
R. Edmonds, Headteacher	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
J. Thomas, Staff Trustee	Remuneration	60,000 - 65,000	55,000 - 60,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
S. Palmer, Staff Trustee	Remuneration	60,000 - 65,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust 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 2019 was £202 (2018 - £288). The cost of this insurance is included in the total insurance cost.



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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**13. Tangible fixed assets**

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	9,781,749	481,385	164,963	255,428	10,683,525
Additions	-	73,115	-	16,575	89,690
At 31 August 2019	9,781,749	554,500	164,963	272,003	10,773,215
<b>Depreciation</b>					
At 1 September 2018	313,920	105,279	138,813	230,397	788,409
Charge for the year	47,088	22,368	15,960	12,120	97,536
At 31 August 2019	361,008	127,647	154,773	242,517	885,945
<b>Net book value</b>					
At 31 August 2019	9,420,741	426,853	10,190	29,486	9,887,270
At 31 August 2018	9,467,829	376,106	26,150	25,031	9,895,116

The academy trust has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2019 £	2018 £
Long-term leasehold property	7,934,874	7,934,874

Leasehold property includes land at valuation of £3,865,000 (2018: £3,865,000) which is not depreciated.

**14. Debtors**

	2019 £	2018 £
Trade debtors	2,501	-
Other debtors	14,539	16,180
Prepayments and accrued income	33,300	91,135
	50,340	107,315

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**15. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	11,121
Other taxation and social security	55,505	50,905
Other creditors	54,645	56,735
Accruals and deferred income	210,078	126,701
	<u>320,228</u>	<u>245,462</u>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2018	100,563	78,275
Resources deferred during the year	110,400	100,563
Amounts released from previous periods	(100,563)	(78,275)
	<u>110,400</u>	<u>100,563</u>

At the balance sheet date the academy trust was holding funds received in advance of 2019/20 for Universal Infant Free School Meals, Rates Relief funding, new starters and consultancy fees.

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**Notes to the Financial Statements**  
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**16. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General funds	355,500	617,889	(389,101)	(141,545)	-	442,743
Teaching School	86,284	114,997	(88,867)	-	-	112,414
	<u>441,784</u>	<u>732,886</u>	<u>(477,968)</u>	<u>(141,545)</u>	<u>-</u>	<u>555,157</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	2,973,803	(3,115,348)	141,545	-	-
Other DfE/ESFA grants	7,379	402,756	(377,833)	-	-	32,302
Other government grants	-	81,041	(81,041)	-	-	-
Pension reserve	(808,000)	-	(214,000)	-	(688,000)	(1,710,000)
	<u>(800,621)</u>	<u>3,457,600</u>	<u>(3,788,222)</u>	<u>141,545</u>	<u>(688,000)</u>	<u>(1,677,698)</u>
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	9,895,116	-	(97,536)	89,690	-	9,887,270
DfE/ESFA capital grants	-	239,734	-	(89,690)	-	150,044
PTA capital donation	-	30,000	-	-	-	30,000
	<u>9,895,116</u>	<u>269,734</u>	<u>(97,536)</u>	<u>-</u>	<u>-</u>	<u>10,067,314</u>
<b>Total Restricted funds</b>	<u>9,094,495</u>	<u>3,727,334</u>	<u>(3,885,758)</u>	<u>141,545</u>	<u>(688,000)</u>	<u>8,389,616</u>
<b>Total funds</b>	<u>9,536,279</u>	<u>4,460,220</u>	<u>(4,363,726)</u>	<u>-</u>	<u>(688,000)</u>	<u>8,944,773</u>

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

General Annual Grant ("GAG") must be used for the normal running costs of the academy trust. The transfer of £141,545 from unrestricted funds has been made to cover and avoid leaving a carry forward GAG deficit.

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.

The other government grants fund is used to track grants provided by other government departments

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

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**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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

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.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
General funds	327,450	555,653	(393,900)	(133,703)	-	355,500
Teaching School	69,832	73,090	(56,638)	-	-	86,284
	<u>397,282</u>	<u>628,743</u>	<u>(450,538)</u>	<u>(133,703)</u>	<u>-</u>	<u>441,784</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	11,213	3,005,168	(3,139,095)	122,714	-	-
Other DfE/ESFA grants	7,048	269,622	(269,291)	-	-	7,379
Other government grants	-	87,862	(92,208)	4,346	-	-
Pension reserve	(1,124,000)	-	(126,000)	-	442,000	(808,000)
	<u>(1,105,739)</u>	<u>3,362,652</u>	<u>(3,626,594)</u>	<u>127,060</u>	<u>442,000</u>	<u>(800,621)</u>
<b>Restricted fixed asset funds</b>						
Tangible fixed assets	9,994,062	-	(121,874)	22,928	-	9,895,116
DfE/ESFA capital grants	2,835	13,450	-	(16,285)	-	-
	<u>9,996,897</u>	<u>13,450</u>	<u>(121,874)</u>	<u>6,643</u>	<u>-</u>	<u>9,895,116</u>
<b>Total Restricted funds</b>	<u>8,891,158</u>	<u>3,376,102</u>	<u>(3,748,468)</u>	<u>133,703</u>	<u>442,000</u>	<u>9,094,495</u>
<b>Total funds</b>	<u>9,288,440</u>	<u>4,004,845</u>	<u>(4,199,006)</u>	<u>-</u>	<u>442,000</u>	<u>9,536,279</u>

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**17. Analysis of net assets between funds**

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

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	9,887,270	9,887,270
Current assets	555,157	352,530	180,044	1,087,731
Creditors due within one year	-	(320,228)	-	(320,228)
Provisions for liabilities and charges	-	(1,710,000)	-	(1,710,000)
<b>Total</b>	<b>555,157</b>	<b>(1,677,698)</b>	<b>10,067,314</b>	<b>8,944,773</b>

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

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	9,895,116	9,895,116
Current assets	449,208	245,417	-	694,625
Creditors due within one year	(7,424)	(238,038)	-	(245,462)
Provisions for liabilities and charges	-	(808,000)	-	(808,000)
<b>Total</b>	<b>441,784</b>	<b>(800,621)</b>	<b>9,895,116</b>	<b>9,536,279</b>

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**18. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the year (as per Statement of financial activities)	96,494	(194,161)
<b>Adjustments for:</b>		
Depreciation	97,536	121,874
Capital grants from DfE and other capital income	(239,734)	(13,450)
Interest receivable	(1,417)	(902)
Defined benefit pension scheme cost less contributions payable	195,000	102,000
Defined benefit pension scheme finance cost	19,000	24,000
Decrease/(increase) in debtors	56,975	(15,572)
Increase in creditors	74,766	20,691
<b>Net cash provided by operating activities</b>	<b>298,620</b>	<b>44,480</b>

**19. Cash flows from investing activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments	1,417	902
Purchase of intangible assets	-	-
Purchase of tangible fixed assets	(89,690)	(22,928)
Capital grants from DfE Group	239,734	13,450
<b>Net cash provided by/(used in) investing activities</b>	<b>151,461</b>	<b>(8,576)</b>

**20. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	887,391	437,310
Notice deposits (less than 3 months)	150,000	150,000
<b>Total cash and cash equivalents</b>	<b>1,037,391</b>	<b>587,310</b>

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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**21. Pension commitments**

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

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

Contributions amounting to £54,645 were payable to the schemes at 31 August 2019 (2018 - £56,680) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £242,000 (2018 - £255,000).

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

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

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Notes to the Financial Statements  
For the year ended 31 August 2019

21. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £287,000 (2018 - £276,000), of which employer's contributions totalled £234,000 (2018 - £224,000) and employees' contributions totalled £ 53,000 (2018 - £52,000). The agreed contribution rates for future years are 25.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10

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

	2019 Years	2018 Years
<b>Retiring today</b>		
Males	23.5	23.4
Females	26.2	26.1
<b>Retiring in 20 years</b>		
Males	26.2	26.1
Females	28.5	28.4



Notes to the Financial Statements  
For the year ended 31 August 2019

21. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(92)	(66)
Discount rate -0.1%	94	64
Mortality assumption - 1 year increase	85	62
Mortality assumption - 1 year decrease	(84)	(61)
CPI rate +0.1%	94	68
CPI rate -0.1%	(92)	(66)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,940,000	1,714,000
Gilts	199,000	166,000
Corporate bonds	190,000	166,000
Property	129,000	87,000
Cash and other liquid assets	37,000	-
Other	570,000	503,000
<b>Total market value of assets</b>	<b>3,065,000</b>	<b>2,636,000</b>

The actual return on scheme assets was £209,000 (2018 - £200,000).

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

	2019 £	2018 £
Current service cost	(294,000)	(320,000)
Past service cost	(129,000)	-
Interest income	77,000	56,000
Interest cost	(96,000)	(80,000)
Administrative expenses	(6,000)	(6,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(448,000)</b>	<b>(350,000)</b>

Notes to the Financial Statements  
For the year ended 31 August 2019

21. Pension commitments (continued)

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

	2019 £	2018 £
<b>At 1 September</b>	3,444,000	3,315,000
Current service cost	294,000	320,000
Past service costs	129,000	-
Interest cost	96,000	80,000
Employee contributions	53,000	52,000
Actuarial losses/(gains)	820,000	(298,000)
Benefits paid	(61,000)	(25,000)
<b>At 31 August</b>	<b>4,775,000</b>	<b>3,444,000</b>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	2,636,000	2,191,000
Interest income	77,000	56,000
Actuarial gains	132,000	144,000
Employer contributions	234,000	224,000
Employee contributions	53,000	52,000
Benefits paid	(61,000)	(25,000)
Administrative expenses	(6,000)	(6,000)
<b>At 31 August</b>	<b>3,065,000</b>	<b>2,636,000</b>

22. 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.

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

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**23. Related party transactions**

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

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

**Income related party transactions:**

Donations received by the academy trust during the year included £58,062 (2018: £32,900) from the School Parent Teacher Association of which £30,000 (2018: £Nil) related to capital. At the year end £Nil (2018: £32,400) was still due to be received.

During the year the trust received lettings income of £1,452 (2018: £1,408) from the Chinese Language School. The school is run by the wife of a trustee of the academy trust. The letting is charged at a standard letting price.

**24. Controlling party**

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

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

**Notes to the Financial Statements**  
**For the year ended 31 August 2019**

**25. Teaching school trading account**

	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
<b>Direct income</b>				
DfE/ESFA grants	40,000		40,000	
ESFA Teaching School grants	100,909		87,000	
<b>Total direct income</b>	<b>140,909</b>		<b>127,000</b>	
<b>Other income</b>				
Courses	68,509		62,934	
Consultancy	40,720		10,438	
Bank interest	82		62	
Other	5,686		605	
<b>Total other income</b>	<b>114,997</b>		<b>74,039</b>	
<b>Total income</b>		<b>255,906</b>		<b>201,039</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	33,641		33,308	
Other staff costs	11,200		9,707	
Technology costs	1,158		329	
External training fees	5,458		13,925	
School Direct (Salaried) expenditure from Teaching School grants	100,909		87,000	
<b>Total direct expenditure</b>	<b>152,366</b>		<b>144,269</b>	
<b>Other expenditure</b>				
Other staff costs	27,846		23,613	
Other depreciation	1,620		1,625	
Premises and equipment	2,335		3,700	
Catering	4,140		2,886	
Legal and professional	35,802		4,089	
Other support costs	3,473		6,030	
<b>Total other expenditure</b>	<b>75,216</b>		<b>41,943</b>	
<b>Total expenditure</b>		<b>227,582</b>		<b>186,212</b>
<b>Surplus from all sources</b>		<b>28,324</b>		<b>14,827</b>
<b>Teaching school balances at 1 September 2018</b>		<b>89,262</b>		<b>74,435</b>
<b>Teaching school balances at 31 August 2019</b>		<b>117,586</b>		<b>89,262</b>