

Company Registration No. 08055393 (England and Wales)

**WARREN FARM PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# **WARREN FARM PRIMARY SCHOOL**

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# WARREN FARM PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Carla Bates	Parent Governor	Chair / SEN Governor / Safeguarding Governor	
Desmond Hughes	Community Governor	Vice-Chair	
Gillian Barr	Staff Governor	Headteacher	
Margaret Goodwin	Staff Governor	Headteacher	(resigned 1st May 2017)
Laura Barnes	Parent Governor		(appointed 9th January 2017)
James Cooke	Staff Governor		(resigned 31st August 2017)
Zalika Geohaghon-Oriaku	Parent Governor		(appointed 9th January 2017)
Barbara Greaves	Community Governor		(resigned 31st August 2017)
Christine Mercer-Smith	Community Governor		(resigned 31st August 2017)
Kathryn Taroni	Staff Governor		(appointed 22nd September 2017)

### Finance & Trustees Sub-Committee

Gillian Barr  
Carla Bates  
Desmond Hughes

### HT Performance Management Sub-Committee

Laura Barnes  
Carla Bates  
Desmond Hughes

### Exclusions Sub-Committee

Laura Barnes  
Zalika Geohaghon-Oriaku  
Desmond Hughes

### Complaints Sub-Committee

Laura Barnes  
Carla Bates  
Desmond Hughes

### Curriculum Sub-Committee

Laura Barnes  
Gillian Barr  
Zalika Geohaghon-Oriaku  
Kathryn Taroni

### Members

Carla Bates	Chair Of Governors
Desmond Hughes	Vice-Chair Of Governors
Christine Mercer-Smith	Chair of Finance Sub-Committee

### Senior Leadership Team

Gillian Barr	Headteacher (from 27/02/2017)/Deputy Headteacher (to 27/02/2017)
Margaret Goodwin	Headteacher (retired 27/02/2017)
Catherine Osborne	Deputy Headteacher (from 27/02/2017)
Kathryn Taroni	Assistant Headteacher (from 1/09/2017)
Mark McLaughlin	Business Manager

# **WARREN FARM PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Company secretary**

Mark McLaughlin

### **Company registration number**

08055393 (England and Wales)

### **Registered office**

Warren Farm Primary School  
Aylesbury Crescent  
Kingstanding  
Birmingham  
West Midlands  
B44 0DT

### **Independent auditor**

Ormerod Rutter Limited  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

### **Actuary**

Barnett Waddington LLP  
St James's House  
St James's Square  
Cheltenham  
GL50 3PR

### **Bankers**

Lloyds Bank PLC  
134 High Street  
Stourbridge  
West Midlands  
DY8 1DS

### **Solicitors**

Browne Jacobson  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

### **Insurance brokers**

Bluefin Insurance Services Limited  
Witan Court  
287-297 Upper Forth Street  
Milton Keynes  
Buckinghamshire  
MK9 1EH

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

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The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 3 to 10 serving a catchment area in north Birmingham. It had an average of 332 pupils attending during the year.

#### **Structure, governance and management**

##### Constitution

The Academy is a company limited by guarantee and an exempt charity incorporated 2 May 2012. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The Governors act as the trustees for the charitable activities of Warren Farm Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Warren Farm Primary School.

The Governors are the trustees of Warren Farm Primary School and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omission occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. This insurance does not extend to any claim arising from any act of omission which the governors knew to be a breach of trust or breach of their duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided and also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

##### Method of recruitment and appointment or election of Governors

The current composition of Governors includes:-

- Up to 6 parent governors who are elected by parents of registered pupils at the Academy (minimum 2 required).
- Up to 6 Partnership governors who are appointed by the Governing Body
- Up to 3 staff governors who are elected by staff at the Academy
- The Head teacher who is treated for all purposes as being an ex officio Governor
- Up to 1 governor appointed under Article 50 of the Articles of Association.

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Policies and procedures adopted for the induction and training of Governors

Governors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. On appointment, Governors receive information relating to the Academy and attend a briefing and receive an induction pack on the role and responsibilities of Governors.

The academy purchases support from Birmingham Governor Support Network through Birmingham City Council. This enhances and supports the governors in their role. We also subscribe to Ten Governor Management which is an on-line, interactive service offering help, support and guidance on all aspects of governance. All newly appointed governors are encouraged to attend the newly appointed governor course offered by Birmingham Governor Training Unit.

During the period, Governors were offered all necessary training.

### Organisational structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Governing Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of the academy and monitors this. It receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other data updates including teaching and learning and achievement and standards.

The Responsible Officer reports to the Governing Body who approves the Statutory Accounts. The levels of budget spend are detailed in the Structure of Financial Management of the Head Teacher and School Business Manager and these are reviewed annually by the Governing Body.

The day-to-day management of the academy is delegated by the Governing Body to the Head Teacher who is supported by the Senior Leadership Team which comprises: Head Teacher, Deputy Head/SENCO, Foundation and KS2 Assistant Head Teachers and the School Business Manager.

The initial School Development Plan is drawn up by the Head Teacher together with the Senior Leadership Team. This draft plan is reviewed by the Governing Body.

As a primary school, a high percentage of the academy's expenditure relates to staffing. The staffing structure is determined by the Governing Body working with the Head Teacher.

The School Development Plan and the staffing structure then inform the academy budget. The Head Teacher is the Accounting Officer and is responsible for the day-to-day financial management of the academy.

The Governing Body has established a Trustees and Finance Committee to review policies and performance of the school in all areas. Reports from this sub-committee are received and discussed at every meeting of the full Governing Body. Terms of reference are available for examination upon request from the school. The Governing Body also has delegated responsibility to separate Exclusions, Complaints and Head Teachers Performance Management sub-committees.

All Governors are members of the full Governing Body. In addition Governors are members of committees who report to the full Governing Body.

### Arrangements for setting pay and remuneration of key management personnel

The Governing Body has established a dedicated Head Teacher's Performance Management Sub-Committee to carry out determinations of pay.

### Related parties and other connected charities and organisations

There is not considered to be any connected organisations to the Academy.

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Objectives and activities**

#### Objects and aims

The principal object and activity of the charitable company is the operation of Warren Farm Primary School to provide education and care for pupils of different abilities between the ages of 3 to 11.

- In accordance with the Articles of Association, the charitable company has adopted the Funding Agreement approved by the Secretary of State for Education. The funding agreement specifies, amongst other things:-
- That the school has a broad and balanced curriculum including English, Maths and Science
- That the school shall make provision for the teaching of religious education and provide a daily act of worship;
- The Academy Trust shall ensure that the Academy complies with any guidance issued by the Secretary of State from time to time to ensure that pupils take part in assessments and in teacher assessments of pupil's performance as they apply to maintained schools;
- The Academy Trust shall have regard to any guidance issued by the Secretary of State further to section 403 of the Education Act 1996 on sex and relationship education to ensure that children at the Academy are protected from inappropriate teaching materials and they learn the nature of marriage and its importance for family life and for bringing up children. The Academy Trust shall also have regard to the requirements set out in section 405 of the Education Act 1996 which shall apply to the Academy as if it were a maintained school.

At Warren Farm Primary School we aim to:-

- Create a happy, safe, friendly, caring and welcoming school that provides for the needs of all of our pupils and parents.
- Provide a curriculum, which is enjoyable, enriching and matched to the ability of our children enabling them to fulfil their potential. It will also promote the importance of basic skills and life-long learning.
- Foster a school ethos which safeguards the physical, emotional and psychological well-being of all members of our school community.
- Prepare our pupils for their future place in the community as responsible and caring citizens.
- Nurture values that are morally, spiritually and culturally appropriate which empower the pupils to make positive choices in their lives.
- Promote a Healthy Lifestyle through knowledge, experience and activity.

#### Objectives, strategies and activities

The School's objectives for the period ending 31 August 2017 are summarised below:-

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under review
- To provide value for money of the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the academy's business in accordance with the highest standards of integrity and openness

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The specific School Development Plan priorities for the year were as follows:

- To improve the governance of the school.
  - Ensure all Governors hold school to account making sure that schools actions are enabling all children to make good progress in line with National Expectations.
  - Ensure all Governors know and understand their legal responsibilities with regard to the Web site and policies ensuring all children are safe and equally treated.
- Improve progress in writing by further developing effective and consistent application of Assessment For Learning (AFL) strategies across the school.
  - Develop Self –assessment strategies across the school to enable all children to understand how best to improve their own learning. Progress evidenced in all children's books.
  - Individual targets set regularly for all children on toolkits using outcomes from marking as guidance.
  - Marking for success to be used consistently across the school
- To improve the rates of progress in maths across the school
  - To continue development of Numicon as a resource for teaching early mathematics in Nursery and Reception.
  - To develop 'Mastery' of mathematics - all yr1 and yr2 children leading to a greater depth to their knowledge.
  - To review the maths curriculum & teaching of Maths for Years 3 to 6 to ensure all children are given appropriate opportunities for 'challenge'.
  - To improve marking and feedback.
- Introduce Topic Weeks and longer science lessons across the school to address aspects of the National Curriculum and provide additional opportunities for writing across the curriculum.
  - Introduce topic weeks enabling all children to make good progress in writing across the curriculum
  - All classes to deliver 2 hours of science enabling all children to make good progress in line with National Expectations.
- Succession Planning
  - Development of Literacy Lead Teacher to continue T4W development.
  - Development of Leadership and Management in the greater use of data tracking.

Site priorities remained a continued rolling programme of refurbishment as detailed in the Site Development Plan to include window replacement, classroom decoration, investigation into increased classroom capacity and improved access for all users to the site. Energy efficiency measures also continue to be a priority during the year.

#### **Public benefit**

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.



# WARREN FARM PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Strategic report

#### Achievements and performance

Warren Farm Primary School converted to Academy Status as an Ofsted graded "Good" school with several areas judged as outstanding. In July 2012, immediately following our conversion on 1 July 2012 we had a one day PSHE inspection and the school received an "Outstanding" judgement in all areas. On 9th February 2016 we had a one day inspection during which we were again judged as "Good".

Pupils' learning and progress is good overall as the large majority of pupils make at least "good" and often "outstanding progress". Our tracking continues to show consistent progress between year groups and our Performance Management Target indicators are pupil progress led.

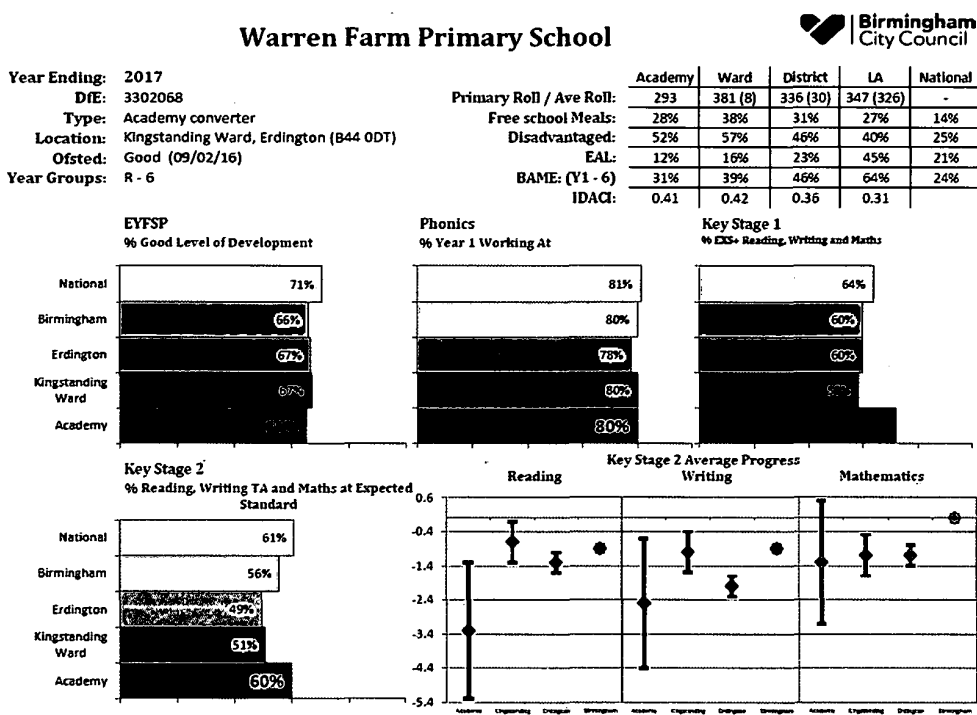
Pupils are encouraged to develop and apply an extensive range of skills effectively, including reading, writing, communication and mathematical skills, across the curriculum. Given their starting points, children are progressing at least as well as all pupils nationally. Pupil performance comfortably exceeds floor standards as regards progress in Reading, Writing and Maths.

#### Key performance indicators

##### Foundation Stage

From a very low baseline on entry to nursery, children make very good progress through the EYFS. Our development Matters data shows that almost 80% of our children on entry are working well below National expectations. At the end of the Reception year the children are still well below National figures. Our Ofsted Inspection in February stated

"Children in the Nursery and Reception Year make good progress, academically and socially, from very low starting points. You have taken action to maintain and improve provision for pupils in the early years, including improving the provision for outdoor play and learning. Children enjoy making appropriate choices about their learning, indoors and outdoors, suitably guided by adults".



# WARREN FARM PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Key Stage 1

Key Stage 1 data shows a strong performance when compared to National and Local results for 2017 (see table below):

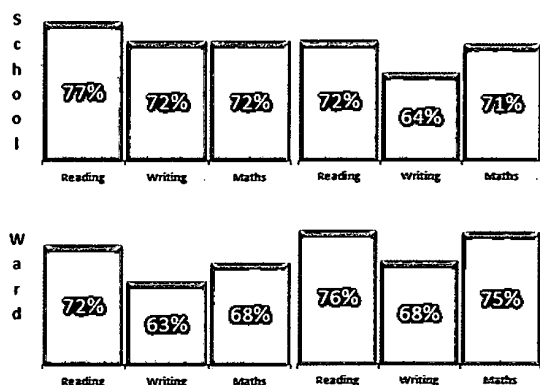
### Warren Farm Primary School



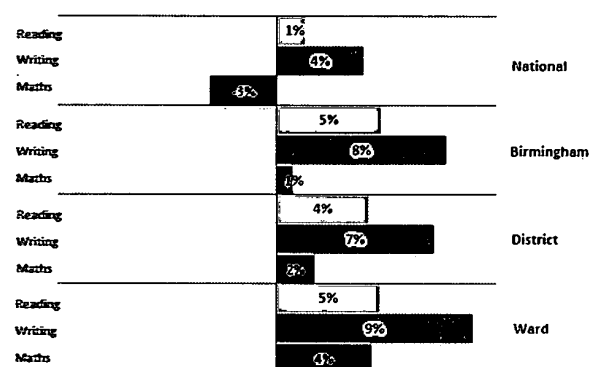
#### Key Stage 1 Performance

	Academy			Kingstanding Ward			Erdington			Birmingham			National		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Cohort	42	43		444	441		1473	1476		16175	16120		642567	641593	nyp
Working within TA framework in Reading	100%	95%		90%	91%		90%	92%		91%	91%		n/a	npn	npn
At least at expected standard in Reading	74%	77%		71%	72%		70%	73%		69%	72%		n/a	74%	76%
Working at greater depth in Reading	2%	19%		15%	16%		14%	17%		14%	18%		n/a	24%	25%
Working within TA framework in Writing	100%	95%		89%	91%		89%	91%		90%	90%		n/a	npn	npn
At least at expected standard in Writing	74%	72%		64%	63%		59%	65%		61%	64%		n/a	66%	68%
Working at greater depth in Writing	2%	19%		7%	9%		7%	10%		6%	10%		n/a	13%	16%
Working within TA framework in Maths	100%	95%		90%	91%		89%	92%		90%	91%		n/a	npn	npn
At least at expected standard in Maths	76%	72%		71%	68%		67%	70%		67%	71%		n/a	73%	75%
Working at greater depth in Maths	2%	19%		10%	14%		9%	14%		11%	15%		n/a	18%	21%

Working at least at Expected Level



Difference in attainment to indicated group



# WARREN FARM PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### Phonics Screening Check 2017

Y1- 80% of children achieved the expected level (36/45)

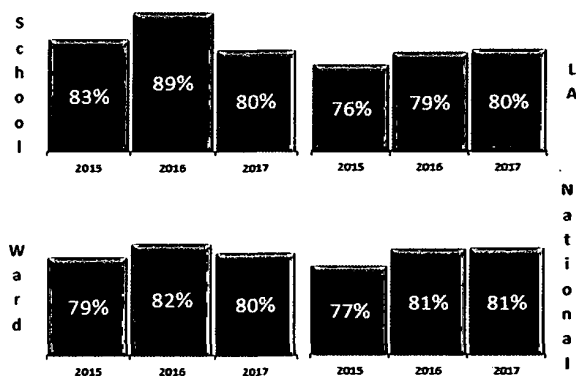
#### Warren Farm Primary School



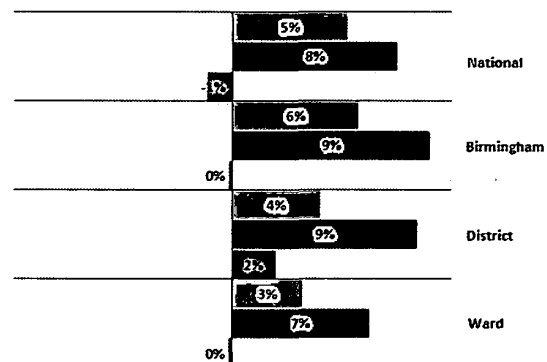
#### Phonics Screening Test Performance

	Academy			Kingstanding Ward			Erdington			Birmingham			National		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Number of Children in Y1	40	45	45	436	412	438	1456	1450	1488	15994	15944	16641	638415	652250	nyp
Year 1 Absent	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	nyp
Year 1 Disapplied	0%	0%	11%	1%	1%	2%	2%	2%	1%	3%	3%	2%	2%	2%	nyp
Year 1 Not working at threshold	18%	11%	9%	19%	17%	18%	20%	18%	20%	21%	18%	18%	21%	18%	nyp
Year 1 Working at threshold	83%	89%	80%	79%	82%	80%	78%	80%	78%	76%	79%	80%	77%	81%	81%
End of Year 2 Cohort	41	42	43	404	443	440	1379	1470	1472	15690	16095	16046	641307	639493	nyp
End of Year 2 Absent	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	nyp	nyp	nyp
End of Year 2 Disapplied	0%	0%	5%	2%	1%	1%	2%	1%	1%	2%	2%	2%	nyp	nyp	nyp
End of Year 2 Not working at threshold	2%	14%	0%	7%	10%	6%	8%	9%	7%	9%	8%	8%	9%	7%	nyp
End of Year 2 Working at threshold	98%	86%	95%	91%	89%	93%	90%	90%	92%	89%	90%	90%	90%	91%	nyp

Year 1 Pass Rate



Y1 Pass rate three years difference in attainment to indicated group (darkest colour is latest year)



# WARREN FARM PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Key Stage 2

Data shows an overall maintaining of children's attainment over the last four years across all subjects, with the exception of Reading.

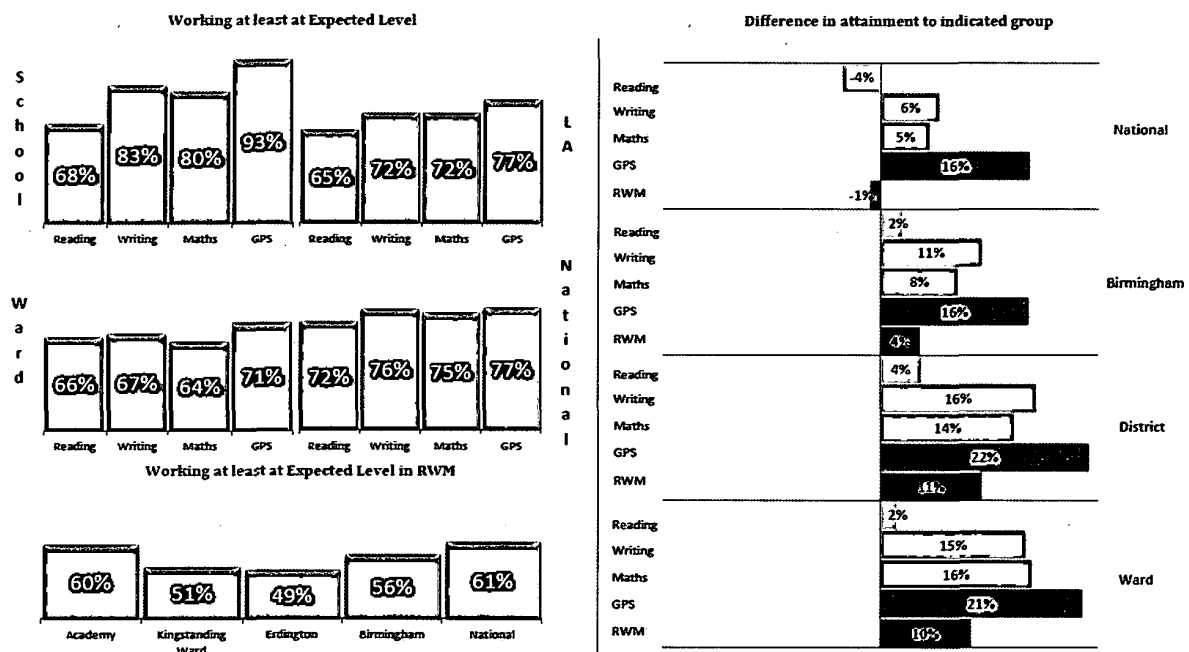
Good use is made of internal assessment data to enable early identification of underperforming groups. These groups are a focus in pupil progress meetings and appropriate provision is planned, delivered and tracked via the schools provision map. The school has no key issues with attainment in Gender or EAL. The majority of pupils with pupil premium make very good progress.

This year new standards were introduced nationally and we were delighted with how well our pupils and staff rose to the challenge. We achieved a scaled score above national averages in all subjects assessed.

### Warren Farm Primary School



#### Key Stage 2 Performance Part 2



To ensure that standards are continually raised, the academy:-

- Implements a whole-school approach to self-evaluation;
- follows well-established and clear assessment policies and procedures, whilst continuing to develop assessment processes;
- All staff are accountable for the progress of all children;
- Senior Leadership Teams and Phase Leaders monitor progress of all children regularly and rigorously (PPM Meetings);
- Tracks the progress of vulnerable groups;
- Plans thoroughly to meet the needs of all pupils;
- Sets individual, group and class targets that are challenging and aspirational;
- Sets appropriate interventions for children with Special Needs and puts in place individual programmes of work for underachievers or those who are gifted or talented; and
- Is committed to the continuing professional development of all staff through a well-established Performance management process.

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Ofsted Grading**

Good

### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

The main sources of income for the academy are obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for capital expenditure from the ESFA. In accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017 the total expenditure was £1,908,153 (2016 - £1,815,269). The income was £1,803,349 (2016 - £1,906,286) for the year resulting in a net deficit of £104,804 (2016 - surplus of £91,017).

At 31 August 2017 the net book value of fixed assets was £2,290,570 (2016 - £2,339,059) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

### **Reserves policy**

The level of reserves held at 31 August 2017 totalled £1,390,043 (2016 - £1,698,847). The reserves will be allocated and spent as part of the School Development Plan, to update, improve and maintain its facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of the School for which the reserves will be allocated and determined in order of priority to meet the needs of the School. The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £900,527 (2016 - £640,212).

Due to the accounting rules for the Local Government Pension Scheme under FRS 102, the Academy is recognising a significant pension fund deficit of £1,344,000 (2016 - £1,051,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making increased pension contributions at 16.1% along with annual lump sum amounts of £23,600 in 2017/18, £24,500 in 2018/19 and £25,500 in 2019/20. It is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Academy.

### **Investment policy and powers**

At present the school does not have an investment policy. However, by following the guidelines of the Financial Handbook, the school invests funds in a high interest account.

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Principal risks and uncertainties

The Academy has prepared a Risk Register and agreed a Risk Management Strategy. These include the financial and operational risks to the school. The register and strategy are regularly reviewed by the Senior Management Team in light of any new information and is formally reviewed annually by the Governing Body.

The principal financial risk facing the academy is that funding is dependent upon pupil numbers. The school roll is growing and the school expanding but the governors are aware that, in the longer term, it may be affected by a fall in the birth rate or be affected by the reputation of the school. Governors do not consider these to be a high risk.

The Academy's future funding is also dependent upon Government Policy for Education. The impact of any school funding reviews will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable within the academy's budget.

The Head Teacher of 17 years, retired during this academic year. This was included as part of the school development plan for the year and succession planning is a high priority for the school. The existing Deputy Head was appointed to the position of Head Teacher and the governors are confident that she can lead the school to maintained success.

### **Plans for future periods**

Governors recognise the impact of the learning environment on the levels of pupil achievement and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system. They actively seek to improve the school building and space available for all pupils.

The expansion of the school will result in the need for additional classroom space in future years and plans are in hand to alter the layout of our Reception unit to create an additional classroom space. We are also considering applying for funding to remove our temporary classrooms and replace with a permanent structure with additional capacity.

We continue to utilise our pupil premium funding to tackle underachievement and will be using several custom IT packages to tackle underachievement in Reading, Writing and Numeracy. Further investment in IT hardware and programmes e.g. Clicker 6 will focus on individual needs. Additional teachers and support staff have also been employed to address pupil needs.

### **Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that 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.

A resolution proposing that Ormerod Rutter Limited be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on 28 November 2017 and signed on its behalf by:



Miss C Bates  
**Chair of Governors**

# WARREN FARM PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to 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 Farm Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

### Full Governing Body meetings

The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of possible
Carla Bates	3	3
Desmond Hughes	2	3
Margaret Goodwin	2	2
Gillian Barr	3	3
Christine Mercer-Smith	2	3
James Cooke	3	3
Barbara Greaves	0	3
Laura Barnes	2	2
Zalika Geohaghon-Oriaku	2	2

### Finance & Trustees Sub-Committee meetings

Finance & Trustees Sub-Committee has remit is to ensure, through the adoption of proper accountable procedures, the adequate planning, control and monitoring of the School Budget.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of possible
Christine Mercer-Smith	3	3
Carla Bates	3	3
Desmond Hughes	2	3
Margaret Goodwin	1	2
Gillian Barr	2	3

### 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.

# **WARREN FARM PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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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 Governing Body where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

- Working in partnership with our IT provider Simtek, we are investigating the possibility of hosting several events in our school hall for virtual racing. This will act as a good source of additional revenue with each event raising £500.
- Working in partnership with local schools in a "Talking Heads Group" to share the cost of training for Governors and also collaborative "More Able" sessions to share good practice.
- identifying a considerable cost benefit (expected to save approximately £1,500 per annum) in changing our internal lights from traditional fluorescent tubes to LED panels and we have begun a programme of retrofitting. A more cost effective method of utilising existing light fittings with LED tubes was undertaken in our two halls. This programme will continue in the future to both improve the lighting around school and to reduce our carbon footprint and electricity usage. Solar panels have already been fitted to support our energy efficiency schemes.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Farm Primary School for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process has been developmental and is regularly reviewed by the Governing Body.

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



# WARREN FARM PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed School's Financial Services as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The first report, covering the period 21st July to 31st December 2016 was presented to the Full Governing Body on 14th February 2017. The second report covering the period 1st January to 29th March 2017 was presented to the Finance & Trustees Committee on 25th May 2017 and then to the Full Governors on 18th July 2017. The final report covering the period 29th March to 12th July 2017 was presented to the Full Governing Body meeting on 18th July 2017. There were no material control issues arising as a result of the RO's work.

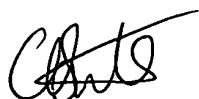
### **Review of effectiveness**

As Accounting Officer, the Head Teacher, Gillian Barr, 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 Responsible Officer;
- the work of the Schools Financial Services officer (Vivien Totty);
- the work of the external auditor;
- the Financial Management and Governance Evaluation;
- the work of the School Business Manager who has 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body on 28 November 2017 and signed on its behalf by:



Miss C Bates  
**Chair of Governors**



Mrs G Barr  
**Headteacher**

# **WARREN FARM PRIMARY SCHOOL**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Warren Farm Primary School I have considered my responsibility to notify the Academy Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



Mrs G Barr  
Accounting Officer

28 November 2017

# **WARREN FARM PRIMARY SCHOOL**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Governors (who act as trustees for Warren Farm Primary School and are also the directors of Warren Farm Primary School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts 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 Governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the Governing Body on 28 November 2017 and signed on its behalf by:



Miss C Bates  
Chair of Governors

# **WARREN FARM PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARREN FARM PRIMARY SCHOOL**

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### **Opinion**

We have audited the accounts of Warren Farm Primary School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### **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 accounts' section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

# WARREN FARM PRIMARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARREN FARM PRIMARY SCHOOL (CONTINUED)

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

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



**Joanne Baldwin ACA FCCA (Senior Statutory Auditor)**  
for and on behalf of Ormerod Rutter Limited

28 November 2017

**Chartered Accountants**  
**Statutory Auditor**

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# **WARREN FARM PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARREN FARM PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Warren Farm Primary School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Warren Farm Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Warren Farm 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 Farm Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Warren Farm Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Warren Farm Primary School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# **WARREN FARM PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARREN FARM PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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### **Conclusion**

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

*Ormerod Rutter Limited*

### **Reporting Accountant**

Ormerod Rutter Limited  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Dated: 28 November 2017

# WARREN FARM PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	8,797	-	7,560	16,357	17,038
Charitable activities:						
- Funding for educational operations	3	34,240	1,736,678	-	1,770,918	1,880,383
Other trading activities	4	15,187	-	-	15,187	8,074
Investments	5	887	-	-	887	791
<b>Total income and endowments</b>		59,111	1,736,678	7,560	1,803,349	1,906,286
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6 & 7	56,555	1,783,539	68,059	1,908,153	1,815,269
<b>Total expenditure</b>	6 & 7	56,555	1,783,539	68,059	1,908,153	1,815,269
<b>Net income/(expenditure)</b>		2,556	(46,861)	(60,499)	(104,804)	91,017
Transfers between funds	11	-	(12,010)	12,010	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(204,000)	-	(204,000)	(631,000)
<b>Net movement in funds</b>		2,556	(262,871)	(48,489)	(308,804)	(539,983)
<b>Reconciliation of funds</b>						
Total funds brought forward		6,204	(646,416)	2,339,059	1,698,847	2,238,830
Total funds carried forward	16	8,760	(909,287)	2,290,570	1,390,043	1,698,847



# WARREN FARM PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	9,440	-	7,598	17,038
Charitable activities:					
- Funding for educational operations	3	35,240	1,845,143	-	1,880,383
Other trading activities	4	8,074	-	-	8,074
Investments	5	791	-	-	791
<b>Total income and endowments</b>		<b>53,545</b>	<b>1,845,143</b>	<b>7,598</b>	<b>1,906,286</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	6 & 7	52,582	1,651,718	110,969	1,815,269
<b>Total expenditure</b>	<b>6 &amp; 7</b>	<b>52,582</b>	<b>1,651,718</b>	<b>110,969</b>	<b>1,815,269</b>
<b>Net income/(expenditure)</b>		<b>963</b>	<b>193,425</b>	<b>(103,371)</b>	<b>91,017</b>
Transfers between funds	11	-	(5,698)	5,698	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(631,000)	-	(631,000)
<b>Net movement in funds</b>		<b>963</b>	<b>(443,273)</b>	<b>(97,673)</b>	<b>(539,983)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		5,241	(203,143)	2,436,732	2,238,830
Total funds carried forward	16	6,204	(646,416)	2,339,059	1,698,847

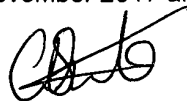
# WARREN FARM PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12		2,290,570		2,339,059
<b>Current assets</b>					
Debtors	13	93,584		80,166	
Cash at bank and in hand		408,403		378,682	
		501,987		458,848	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(58,514)		(48,060)	
<b>Net current assets</b>			443,473		410,788
<b>Net assets excluding pension liability</b>			2,734,043		2,749,847
Defined benefit pension liability	17		(1,344,000)		(1,051,000)
<b>Net assets</b>			1,390,043		1,698,847
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			2,290,570		2,339,059
- Restricted income funds			434,713		404,585
- Pension reserve			(1,344,000)		(1,051,001)
<b>Total restricted funds</b>			1,381,283		1,692,643
<b>Unrestricted income funds</b>	16		8,760		6,204
<b>Total funds</b>			1,390,043		1,698,847

The accounts set out on pages 22 to 43 were approved by the Governing Body and authorised for issue on 28 November 2017 and are signed on its behalf by:



Miss C Bates  
Chair of Governors

Company Number 08055393

# WARREN FARM PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		40,844		77,640
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		887		791	
Capital grants from DfE and ESFA		7,560		7,598	
Payments to acquire tangible fixed assets		(19,570)		(5,698)	
			(11,123)		2,691
<b>Change in cash and cash equivalents in the reporting period</b>			29,721		80,331
Cash and cash equivalents at 1 September 2016			378,682		298,351
<b>Cash and cash equivalents at 31 August 2017</b>			408,403		378,682
<b>Relating to:</b>					
Bank and cash balances			383,403		328,682
Short term deposits			25,000		50,000
			408,403		378,682

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

Warren Farm Primary School is a charitable company charitable company limited by guarantee registered in England and Wales.

The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

#### 1.1 Basis of preparation

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

Warren Farm Primary School meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

##### Donations

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

##### Other income

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

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

#### 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.

All resources expended are inclusive of irrecoverable VAT.

#### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

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

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

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

Long leasehold buildings	- 2% on cost
Computer equipment	- 25% on cost
Fixtures & fittings	- 10% and 14% on cost

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

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.

#### 1.6 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Taxation

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

#### 1.9 Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency.

#### 1.11 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

The Academy 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 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	7,560	7,560	7,598
Other donations	8,797	-	8,797	9,440
	<u>8,797</u>	<u>7,560</u>	<u>16,357</u>	<u>17,038</u>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	1,392,947	1,392,947	1,422,169
Universal Infant Free School Meals	-	41,952	41,952	38,456
Pupil Premium	-	198,175	198,175	210,795
Sports Premium	-	9,240	9,240	9,250
Rates Relief	-	4,345	4,345	2,887
	-	1,646,659	1,646,659	1,683,557
<b>Other government grants</b>				
Looked After Children	-	2,425	2,425	1,600
Early Years Single Funding Formula	-	87,594	87,594	150,986
Awards For All	-	-	-	9,000
	-	90,019	90,019	161,586
<b>Other funds</b>				
After school care	12,253	-	12,253	11,562
Sale of school supplies and uniforms	17,879	-	17,879	18,121
Other incoming resources	4,108	-	4,108	5,557
	34,240	-	34,240	35,240
<b>Total funding</b>	<b>34,240</b>	<b>1,736,678</b>	<b>1,770,918</b>	<b>1,880,383</b>

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Catering income	15,187	-	15,187	8,074

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Bank interest received	887	-	887	791



# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
<b>Academy's educational operations</b>					
- Direct costs	794,360	61,253	172,026	1,027,639	1,064,742
- Allocated support costs	553,577	35,697	291,240	880,514	750,527
	<u>1,347,937</u>	<u>96,950</u>	<u>463,266</u>	<u>1,908,153</u>	<u>1,815,269</u>

### Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,875	4,500
- ESFA annual return audit	550	525
- TPS annual return audit	450	425
Operating lease rentals	1,801	1,523
Depreciation of tangible fixed assets	<u>68,059</u>	<u>71,308</u>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	52,890	974,749	1,027,639	1,064,742
Support costs - educational operations	3,665	876,849	880,514	750,527
	<u>56,555</u>	<u>1,851,598</u>	<u>1,908,153</u>	<u>1,815,269</u>

#### Analysis of costs

	2017 £	2016 £
<b>Direct costs</b>		
Teaching and educational support staff costs	794,360	842,146
Staff development	6,582	9,231
Depreciation and amortisation	61,253	64,178
Technology costs	5,868	3,611
Educational supplies	50,216	39,371
Educational consultancy and services	80,633	76,526
School trips and other extra curricular activities	20,764	23,708
Other direct costs	7,963	5,971
	<u>1,027,639</u>	<u>1,064,742</u>
<b>Support costs</b>		
Support staff costs	553,577	505,791
Depreciation and amortisation	6,806	7,130
Technology costs	11,735	7,208
Maintenance of premises and equipment	28,891	59,086
Cleaning	35,591	30,724
Energy costs	15,579	16,448
Rates and water	6,709	5,113
Insurance	15,197	13,055
Security and transport	3,098	2,358
Catering	105,512	94,018
LGPS actuarial interest	23,000	(84,000)
Other support costs	68,944	88,146
Auditor's remuneration	5,875	5,450
	<u>880,514</u>	<u>750,527</u>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Staff costs

	2017 £	2016 £
Wages and salaries	1,010,371	1,064,089
Social security costs	91,376	80,160
Operating costs of defined benefit pension schemes	232,287	194,890
Staff costs	1,334,034	1,339,139
Supply staff costs	13,903	8,798
Total staff expenditure	1,347,937	1,347,937

### Staff numbers

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

	2017 Number	2016 Number
Teachers	17	17
Administration and support	26	32
	43	49

### Higher paid staff

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

	2017 Number	2016 Number
£60,001 to £70,000	-	1

Total employer pension contributions for this employee was £nil (2016 - £10,929).

### Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £184,294 (2016 - £183,175).

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 9 Governors' remuneration and expenses

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

Margaret Goodwin (Headteacher) - retired 27th February 2017

- Remuneration £30,000 - £35,000 (2016: £65,000-£70,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £10,000-£15,000)

Gillian Barr (Headteacher)

- Remuneration £55,000 - £60,000 (2016: £50,000-£55,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000-£50,000)

James Cooke (Staff Governor)

- Remuneration £30,000 - £35,000 (2016: £30,000-£35,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000-£10,000)

During the year, 1 Staff Governor was reimbursed for educational supplies totalling £56 (2016 - no expenses were paid to Governors).

### 10 Governors and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim. This insurance is included in a schools combined insurance policy which includes cover for multiple other types of insurance and the cost of insurance to protect trustees and officers cannot be easily determined as an individual element of the total cost of this combined insurance policy.

### 11 Transfers

Tangible fixed asset additions for the year totalled £19,570, funded by £7,560 out of Devolved Formula Capital funding and £12,010 out of General Annual Grant funding.

During the year expenditure allocated against Pupil Premium funding exceeded income by £27,028, with the difference being covered out of General Annual Grant funding.

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Long leasehold buildings	Computer equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2016	2,510,000	66,233	57,584	2,000	2,635,817
Additions	-	5,820	13,750	-	19,570
At 31 August 2017	2,510,000	72,053	71,334	2,000	2,655,387
<b>Depreciation</b>					
At 1 September 2016	209,167	55,816	29,775	2,000	296,758
Charge for the year	50,200	6,992	10,867	-	68,059
At 31 August 2017	259,367	62,808	40,642	2,000	364,817
<b>Net book value</b>					
At 31 August 2017	2,250,633	9,245	30,692	-	2,290,570
At 31 August 2016	2,300,833	10,417	27,809	-	2,339,059

### 13 Debtors

	2017 £	2016 £
VAT recoverable	4,161	6,515
Other debtors	7,240	6,983
Prepayments and accrued income	82,183	66,668
	93,584	80,166

### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals	31,751	22,918
Deferred income (see note 15)	26,763	25,142
	58,514	48,060

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

15	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year (see note 14)	26,763	25,142
	Deferred income at 1 September 2016	25,142	20,904
	Released from previous years	(25,142)	(20,904)
	Amounts deferred in the year	26,763	25,142
	<b>Deferred income at 31 August 2017</b>	<b>26,763</b>	<b>25,142</b>

Deferred income relates to UIFSM and rates relief grants received early relating to the next financial year.

16	Funds	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2017 £
	<b>Restricted general funds</b>					
	General Annual Grant	404,584	1,392,947	(1,324,098)	(39,038)	434,395
	Pupil Premium	-	200,600	(227,628)	27,028	-
	EYSFF	-	87,594	(87,594)	-	-
	UIFSM	-	41,952	(41,952)	-	-
	Sports Premium	-	9,240	(8,922)	-	318
	Rates Relief	-	4,345	(4,345)	-	-
	Funds excluding pensions	404,584	1,736,678	(1,694,539)	(12,010)	434,713
	Pension reserve	(1,051,000)	-	(89,000)	(204,000)	(1,344,000)
		(646,416)	1,736,678	(1,783,539)	(216,010)	(909,287)
	<b>Restricted fixed asset funds</b>					
	General fixed asset fund	2,339,059	-	(68,059)	19,570	2,290,570
	Devolved Capital Formula	-	7,560	-	(7,560)	-
		2,339,059	7,560	(68,059)	12,010	2,290,570
	<b>Total restricted funds</b>	<b>1,692,643</b>	<b>1,744,238</b>	<b>(1,851,598)</b>	<b>(204,000)</b>	<b>1,381,283</b>
	<b>Unrestricted funds</b>					
	General funds	6,204	59,111	(56,555)	-	8,760
	<b>Total funds</b>	<b>1,698,847</b>	<b>1,803,349</b>	<b>(1,908,153)</b>	<b>(204,000)</b>	<b>1,390,043</b>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 16 Funds

(Continued)

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

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any restricted general funds.

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

#### **Unrestricted Funds**

##### **General Fund**

Relates to all unrestricted fund activities.

#### **Restricted Revenue Funds**

##### **General Annual Grant (GAG)**

Relates to activities undertaken in the running of the school funded by the General Annual Grant and other related grants.

##### **Early Years Single Funding Formula (EYSFF)**

Relates to income received from the Local Council in order to fund free early education for two to four year olds.

##### **Universal Infant Free School Meals (UIFSM)**

Relates to income received from the ESFA in order to support the academy's legal requirement to offer free school meals to all their pupils in year groups reception, year 1 and year 2.

##### **Pupil Premium Fund**

Relates to additional funding received to help raise the attainment of disadvantaged pupils and close the gap between them and their peers.

##### **Sports Premium Fund**

Relates to additional funding from the ESFA to help primary schools improve the quality of the PE and sport activities they offer their pupils.

##### **Rates Relief Fund**

Relates to ESFA funding received to help settle local council rates charges.

##### **Pension Fund**

Relates to the academy's share of the LGPS deficit provided for in the financial statements shown as a separate restricted fund in accordance with Academies - Accounts Direction 2016 to 2017.

#### **Restricted Capital Funds**

##### **Restricted Fixed Asset Fund**

Relates to the fixed assets of the academy.

##### **Capital Maintenance Fund**

Relates to funding received from the ESFA to fund improvements to buildings and other facilities, including ICT, or capital repairs/refurbishment and minor works.

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

At the year end there was prepaid contributions relating to the LGPS of £13,767 (2016 - £7,459).

#### Teachers' Pension Scheme

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £98,159 (2016 - £105,483).



# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Pensions and similar obligations

(Continued)

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13% for employers and between 5.5% and 12.5% for employees depending on the level of salary earned by each employee.

Warren Farm Primary School is also to pay additional lump sum contributions of £24,500 for 2018/19 and £25,500 for 2019/20.

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.

#### **Valuation of LGPS provision**

The amounts recognised in the balance sheet are as follows:

	2017 £	2016 £
Present value of defined benefit obligations	2,395,000	1,884,000
Fair value of the Academy's share of scheme assets	(1,051,000)	(833,000)
Academy's share of LGPS net deficit	<u>1,344,000</u>	<u>1,051,000</u>
<b>Total contributions made</b>	<b>2017 £</b>	<b>2016 £</b>
Employer's contributions	67,000	51,000
Employees' contributions	23,000	23,000
Total contributions	<u>90,000</u>	<u>74,000</u>
<b>Principal actuarial assumptions</b>	<b>2017 %</b>	<b>2016 %</b>
Rate of increases in salaries	4.20	3.75
Rate of increase for pensions in payment	2.70	2.00
Discount rate	<u>2.60</u>	<u>2.20</u>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	21.8	23.1
- Females	24.3	25.8
Retiring in 20 years		
- Males	24.0	25.3
- Females	26.6	28.1

#### Sensitivity analysis

As an indication of the sensitivity of the provision to the assumptions applied, it is projected that:

- a change of +0.1% to the discount rate would reduce the present value of total obligations by £66,000 and reduce the projected service costs for the year by £4,000.
- a change of +0.1% to the long term salary increase would increase the present value of total obligations by £20,000 but would not change the projected service costs for the year.
- a change of +0.1% to the pension increases and deferred revaluation would increase the present value of total obligations by £47,000 and increase the projected service costs for the year by £4,000.
- a change of +1 year to the life expectancy assumptions would increase the present value of total obligations by £76,000 and increase the projected service costs for the year by £5,000.

#### The Academy's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	665,000	495,000
Gilts	77,000	58,000
Other bonds	40,000	71,000
Cash/liquidity	52,000	53,000
Property	77,000	66,000
Other assets	140,000	90,000
Total market value of assets	1,051,000	833,000
Actual return on scheme assets - gain/(loss)	128,000	(129,000)

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost (net of employee contributions)	66,000	33,000
Net interest cost	23,000	(84,000)
Total operating charge	89,000	(51,000)
Total actuarial losses	204,000	631,000
Changes in the present value of defined benefit obligations		2017 £
Obligations at 1 September 2016		1,884,000
Current service cost		133,000
Interest cost		42,000
Employee contributions		23,000
Actuarial loss		313,000
At 31 August 2017		2,395,000
Changes in the fair value of the Academy's share of scheme assets		2017 £
Assets at 1 September 2016		833,000
Interest income		19,000
Actuarial gains/(losses):		
- return on plan assets (excluding amounts included in net interest)		130,000
- other actuarial gains/(losses)		(21,000)
Employer contributions		67,000
Employee contributions		23,000
At 31 August 2017		1,051,000

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	2,290,570	2,290,570
Current assets	8,760	493,227	-	501,987
Creditors falling due within one year	-	(58,514)	-	(58,514)
Defined benefit pension liability	-	(1,344,000)	-	(1,344,000)
	<u>8,760</u>	<u>(909,287)</u>	<u>2,290,570</u>	<u>1,390,043</u>
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	2,339,059	2,339,059
Current assets	6,204	452,644	-	458,848
Creditors falling due within one year	-	(48,060)	-	(48,060)
Defined benefit pension liability	-	(1,051,000)	-	(1,051,000)
	<u>6,204</u>	<u>(646,416)</u>	<u>2,339,059</u>	<u>1,698,847</u>

### 19 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period	(104,804)	91,017
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(7,560)	(7,598)
Investment income	(887)	(791)
Defined benefit pension costs less contributions payable	66,000	33,000
Defined benefit pension net finance cost/(income)	23,000	(84,000)
Depreciation of tangible fixed assets	68,059	71,308
(Increase)/decrease in debtors	(13,418)	7,022
Increase/(decrease) in creditors	10,454	(32,318)
<b>Net cash provided by operating activities</b>	<u>40,844</u>	<u>77,640</u>

# WARREN FARM PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	1,894	1,523
Amounts due in two and five years	6,154	-
	<u>8,048</u>	<u>1,523</u>

### 21 Related party transactions

No related party transactions took place in the period of account other than certain Governors' remuneration and expenses already disclosed in note 9.

### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.