

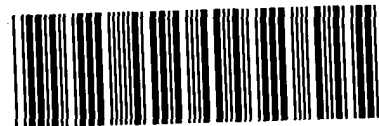
**Warren Farm Primary School
(A Company Limited by Guarantee)**

Annual Report and Financial Statements

Period ended 31 August 2014

**Company Registration Number:
08055393 (England and Wales)**

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Reference and Administrative Details

CATEGORY	NAME	Committee	ELECTED	LEFT
Chair / Trustee / Link Governor	James Jordan	Finance / HT Performance Management / Complaints	02/05/2012	06/10/2014
Chair of Finance / Trustee	Mrs Marie Smart	Finance / Complaints	02/05/2012	06/10/2014
Member / Community	Christine-Mercer-Smith	Finance	20/05/2013	
Community	Richard Harper	Exclusions	02/05/2012	06/10/2014
Community	Barbara Greaves	HT Performance Management	30/9/2013	
Parent	Mr Stephen French		02/05/2012	06/10/2014
Parent	Trudy Evans	Exclusions	02/05/2012	
Parent	Mrs Joy Stanley		02/05/2012	06/10/2014
Parent	Louise Southgate		02/05/2012	31/03/2014
Member / Parent / SEN Governor / Vice Chair	Ms Sarah Bryan	HT Performance Management	02/05/2012	
Parent/ SEN Governor / Safeguarding Governor	Miss Carla Bates	HT Performance Management / Complaints	02/05/2012	
Staff	Mrs Gillian Barr	Finance	02/05/2012	
Staff	Vacant			
Staff (HT)	Mrs Margaret Goodwin	Finance	02/05/2012	
Member / Vice-Chair / Trustee Acting-Chair from 31/3/14 Chair from 06/10/2014	Des Hughes	Building & Site	02/05/2012	

Company Secretary:	Gill Raven
Registered Office:	Warren Farm Primary School Aylesbury Crescent Kingstanding Birmingham B44 0DT
Company Registration Number:	8055393
Auditors:	Nicklin LLP Registered Auditors Chartered Accountants Church Court Stourbridge Road Halesowen B63 3TT
Bankers:	Lloyds TSB 2 nd Floor 125 Colmore Row Birmingham B3 3SF
Solicitors:	Browne-Jacobson
Insurance Brokers:	Bluefin Insurance Services Ltd Witan Court 287-297 Upper Forth Street Milton Keynes Buckinghamshire MK9 1EH

Governors' Report

The trustees who are also directors of the Academy for the purposes of the Companies Act 2006, present their report with the financial statements of the Academy for the year ended 31 August 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

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.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 2.

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.

Principal Activities

Warren Farm Primary School converted to Academy status on 1 July 2012 at which point the entity's operations commenced.

The Academy's principal activities are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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.

Governors' Report (continued)

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.

Governors' Report (continued)

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those related to the operational areas of the site and facilities, of teaching and finances, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Academy's risk management process is undertaken on an annual basis and key controls in place include:-

- Formal agenda for all committee activity
- Terms of reference for all governing body and delegated committees under the direction of the Governing Body
- Pecuniary interests of governors reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Connected Organisations, including Related Party Relationships

None.

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.

Governors' Report (continued)

The aims of the academy during the year ended 31 August 2014 are summarised below:-

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 2014 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

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

- 1) To raise attainment in writing. (See targets for %)
 - a) To establish a programme of moderation across the school.
 - b) Talk4Writing development in non-fiction across the school.
 - c) "SPAG" – Processes developed across school
- 2) To raise the percentage of good to 50% outstanding to 50%
 - a) To deliver training enabling all staff to understand the requirements of 'outstanding' teaching as per OFSTED framework. Improving staff skills; knowledge and expertise through a process of sharing and review.
 - b) All staff to develop 'reflective skills' understanding their role as teacher - through the use of peer observations and web cam techniques, developing a self-evaluation system.
 - c) Introduce new literacy framework and develop QFT through quality planning and delivery.
- 3) To develop a structured approach to meeting children's SEN needs – Dyslexia/Autism
 - a) Using data information and AFL to provide for the individual needs of pupils through quality differentiation.
 - b) Planning for challenge and underachievement (P.P).
 - c) To review and monitor the Marking and Presentation Policy and quality of feedback.
- 4) To develop Early Years practice for revised EYFS
 - a) EYFS Framework.
 - b) AFL.
 - c) Development of outside curriculum.
- 5) To "weave in" the new National Curriculum Numeracy as per objectives – Priority 5. Audit Science / PE / ICT (awaiting new National Curriculum).
 - a) Audit current curriculum and frameworks (SMT).
 - b) Action plan changes as per audit (SMT).
 - c) Whole development and training for changes .
 - d) New curriculum developed into planning

Site priorities remained a continued rolling programme of refurbishment as detailed in the Site Development Plan to include window replacement, classroom decoration, suspended ceiling installation and KS2 boys and girls toilet block refurbishment.

Governors' Report (continued)

Significant development and expenditure also took place in the area of ICT with an upgraded wireless network installed as well as major hardware purchases.

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.

The Academy Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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.

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. This school is amongst the top ten performing schools in Birmingham.

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, however, at the end of the Reception year the children align with National figures.

Governors' Report (continued)

Key Stage 1

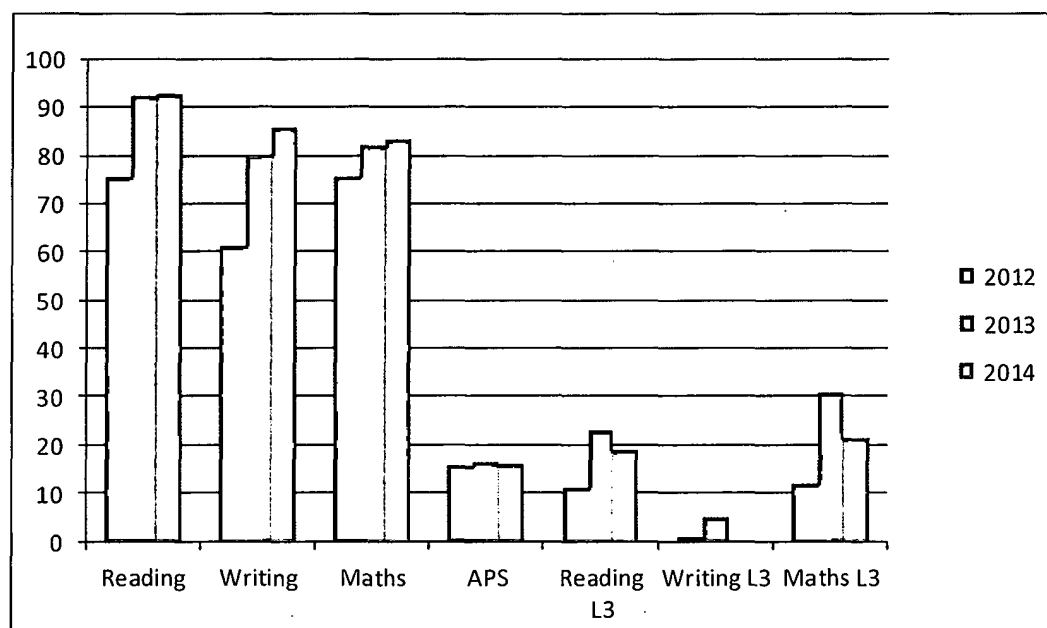
Key Stage 1 data clearly shows an upward trend in attainment for reading, with maths and writing increasing steadily from 2009 figures. Our Phonics Test results were outstanding and in recognition we received a letter from Nick Gibb (Minister of State for School Reform) congratulating us.

In 2014, 98% of pupils attained level 2 and above for reading this was an increase of 12 percentage points since 2012. 93% of pupils attaining 2B or above, an increase of 16% from 2012.

98% of pupils attained level 2+ for maths, an increase of 8 percentage points since 2012. 22% of pupils attaining L3.

85% of pupils attained level 2+ in writing. This is an increase of 10% from 2012 and reflects our key SDP focus of Writing. Our percentage of L3 Writers will remain our focus for 2014-15.

	Reading	Writing	Maths
Level 2b+	93%	86%	83%
Level 3	19%	0%	21%
APS	16.81	14.81	16.48

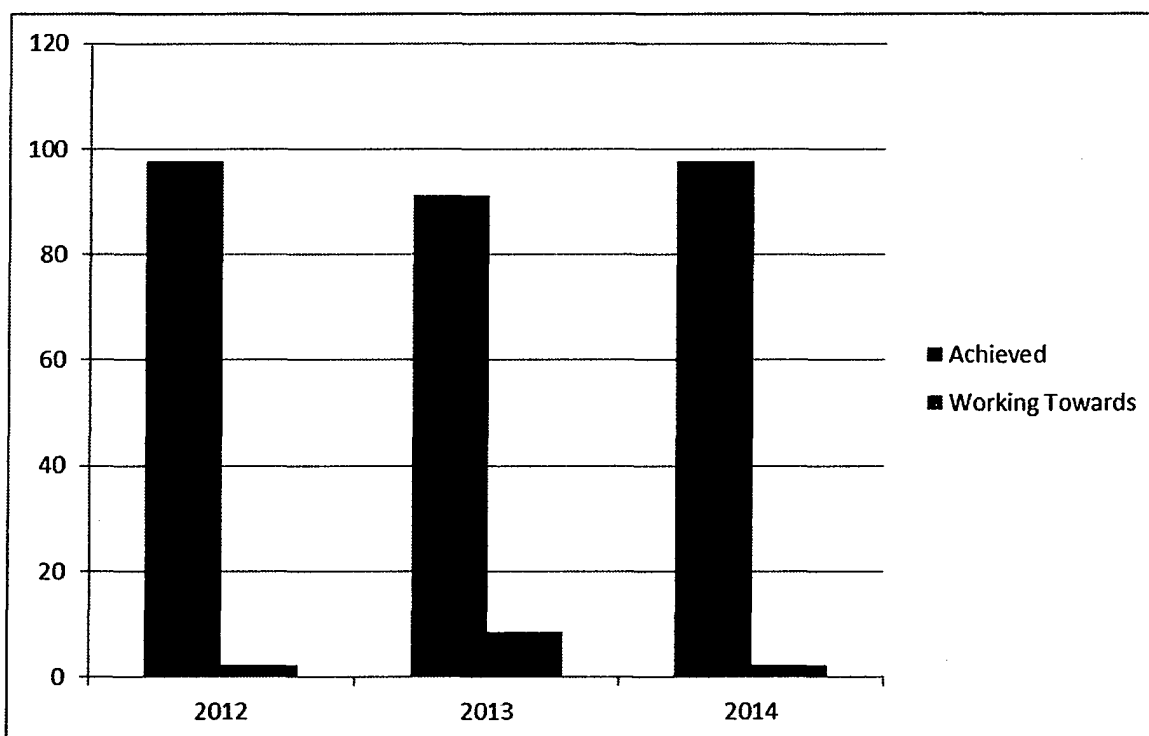


Governors' Report (continued)

Phonics Screening Check 2014

Y1 98% of children achieved the expected level (43/44)

Y2 100% of children achieved the expected level



Early Years Profile 2014

Prime Learning Goals:	77.8% expected or exceeding
Specific Learning Goals:	53.3% expected or exceeding
All Learning Goals:	51.1% expected or exceeding
Reading:	88.9% expected or exceeding
Writing:	55.6% expected or exceeding
Number:	80% expected or exceeding
Space, Shape, Measure:	82.2% expected or exceeding
Good Level of Development:	53.3%

Good Level of Development: Awarded Expected or Exceeding grade in all Prime and all Literacy and Mathematics

Governors' Report (continued)

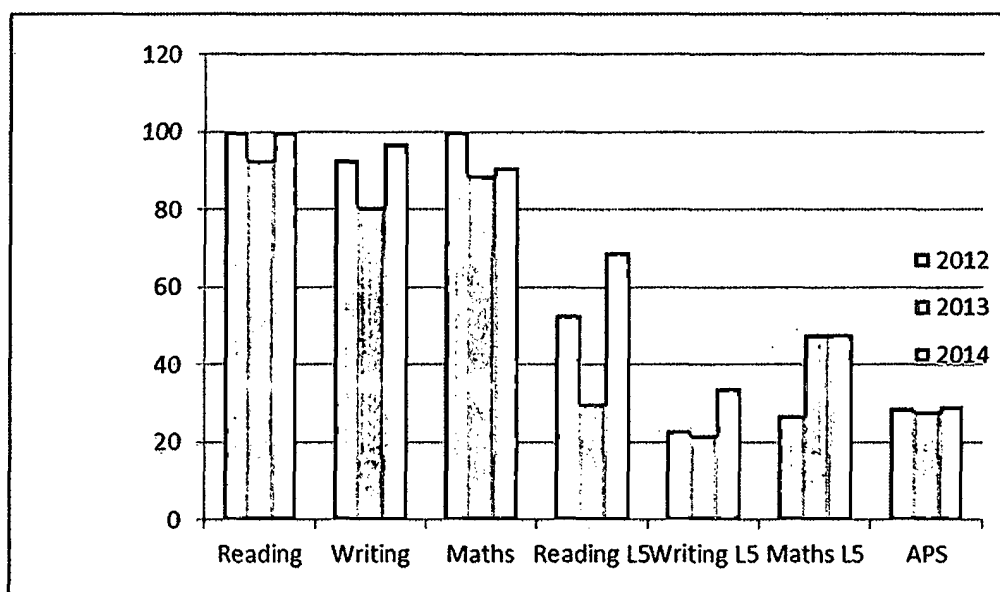
Key Stage 2

Data shows an overall improvement in children's attainment over the last three years in Reading and Writing, especially taking into account the percentage of Level 5's attained. Maths shows a slight decrease from 2012 but an increase from 2013. Our 2014 results were well above our average attainment over the past 4 years and are in line with national expectations.

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.

	Reading	Writing	Grammar, Punctuation and Spelling	Maths
Level 4+	100%	97%	83%	90%
Level 5	69%	34%	55%	48%
APS	31.14	28.86		29.28

KS2 SAT 3 year Comparison



Governors' Report (continued)

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.

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Key Performance Indicators

Ofsted Grading: Good

Financial Review

The main sources of income for the academy are obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receive grants for capital expenditure from the EFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), 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 2014 the total expenditure was £1,825,487. The income was only £1,671,706 for the year resulting in a deficit of £153,781. At 31 August 2014 the net book value of fixed assets was £2,467,306 and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Financial and Risk Management Objectives and Policies

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.

Principal Risks and Uncertainties

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.

Governors' Report (continued)

Reserves Policy

The level of reserves held at 31 August 2014 total £2,261,593 (2013:£2,165,374). 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 £4,317 (2013: £1,473).

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £382,000. 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 11.5% along with annual lump sum amounts of £12,000 in 2014/15, £12,500 in 2015/16 and £13,000 in 2016/17. 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

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.

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 eg Clicker 6 will focus on individual needs.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

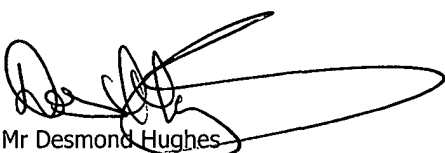
Auditor

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.

The auditors, Nicklin LLP, are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Approved by order of the members of the Governing Body on 18/12/2014 and signed on its behalf by:


Mr Desmond Hughes
Chair

Governance Statement

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 Head Teacher, 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 Full Governing Body has met formally 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:-

Name	Committee	Possible	Attended
James Jordan	Full Governors	1	1
Des Hughes	Full Governors	3	2
Margaret Goodwin	Full Governors	3	3
Gillian Barr	Full Governors	3	3
Marie Smart	Full Governors	3	3
Carla Bates	Full Governors	3	2
Christine Mercer-Smith	Full Governors	3	2
Trudy Evans	Full Governors	3	1
Barbara Greaves	Full Governors	3	2
Sarah Bryan	Full Governors	3	3
Stephen French	Full Governors	3	0
Louise Southgate	Full Governors	1	0
Richard Harper	Full Governors	3	0
Joy Stanley	Full Governors	3	0

The Finance & Trustees Committee met formally 4 times during the year. Attendance during the year at meetings of the Finance Committee was as follows:-

NAME	Committee	Possible	Attended
Marie Smart	Finance & Trustees	4	0
James Jordan	Finance & Trustees	3	1
Christine Mercer-Smith	Finance & Trustees	4	4
Des Hughes	Finance & Trustees	3	2
Margaret Goodwin	Finance & Trustees	4	4
Gillian Barr	Finance & Trustees	4	4

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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 ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy 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 2014 and up to the date of approval of the annual report and financial statements. This process in its first year as an Academy 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 Trustees and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 half 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 audit for 2013/14 was carried out by the RO in December 2013 and a report dated 17 December was provided to the Finance & Trustees Committee. The second RO audit was completed in April 2014 and a report dated 9 April was presented to the Finance & Trustees Committee. A third RO audit was carried out in July 2013 and a report dated 11 July was presented to the Finance & Trustees Committee. There were no material control issues arising as a result of the RO's work.

Governance Statement (continued)

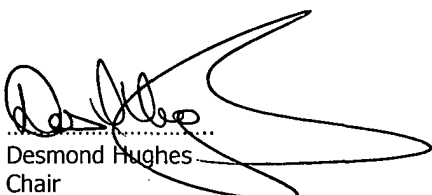
Review of Effectiveness

As Accounting Officer, the Head Teacher, Margaret Goodwin, 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 members of the Governing Body on 18/12/2014 and signed on its behalf by:



Desmond Hughes
Chair



Margaret Goodwin
Accounting Officer

Warren Farm Primary School

Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2014

As accounting officer of Warren Farm Primary School I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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


.....
Margaret Goodwin - Accounting Officer

Date: 18/12/14

Warren Farm Primary School

Statement of Governors Responsibilities
for the year ended 31 August 2014

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

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

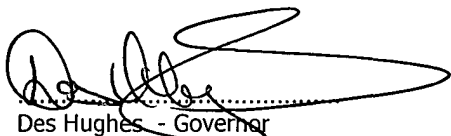
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 grants received from the EFA/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.

Approved by order of the members of the board of trustees on 18/12/2014..... and signed on its behalf by:



Des Hughes - Governor

Report of the Independent Auditors to the Members of Warren Farm Primary School

We have audited the financial statements of Warren Farm Primary School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

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 2006. 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors Responsibilities, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Warren Farm Primary School

Matters on which we are required to report by exception

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

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



Joanne Baldwin FCCA (Senior Statutory Auditor)
Nicklin LLP Nicklin LLP
Chartered Accountants
Statutory Auditors
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date:18/12/14.....

Note:

The maintenance and integrity of the Warren Farm Primary School website is the responsibility of the trustee; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Warren Farm Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Warren Farm Primary School and the EFA, 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 2012, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matter 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 charitable company's income and expenditure.

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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joanne Baldwin FCCA
Nicklin LLP
Chartered Accountants
Church Court
Stourbridge Road
Halesowen
West Midlands
B63 3TT

Date:18/12/14.....

Warren Farm Primary School

Statement of Financial Activities
for the year ended 31 August 2014

					Year Ended 31.8.14	Period 2.5.12 to 31.8.13
	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	34,014	-	-	34,014	51,553
Voluntary income - Transfer from Local Authority on conversion		-	-	-	-	2,182,593
Investment income	3	977	-	-	977	458
Incoming resources from charitable activities						
Academy's educational operations	4	-	1,621,070	15,645	1,636,715	1,860,468
Total incoming resources		<u>34,991</u>	<u>1,621,070</u>	<u>15,645</u>	<u>1,671,706</u>	<u>4,095,072</u>
RESOURCES EXPENDED						
Charitable activities						
Academy's educational operations		32,147	1,717,192	70,223	1,819,562	1,896,098
Governance costs	7	<u>-</u>	<u>5,925</u>	<u>-</u>	<u>5,925</u>	<u>5,600</u>
Total resources expended	5	<u>32,147</u>	<u>1,723,117</u>	<u>70,223</u>	<u>1,825,487</u>	<u>1,901,698</u>
NET INCOMING/(OUTGOING) RESOURCES						
		2,844	(102,047)	(54,578)	(153,781)	2,193,374
Other recognised gains/losses						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>(28,000)</u>
Net movement in funds		2,844	147,953	(54,578)	96,219	2,165,374
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>1,473</u>	<u>(363,443)</u>	<u>2,527,344</u>	<u>2,165,374</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,317</u></u>	<u><u>(215,490)</u></u>	<u><u>2,472,766</u></u>	<u><u>2,261,593</u></u>	<u><u>2,165,374</u></u>

CONTINUING OPERATIONS

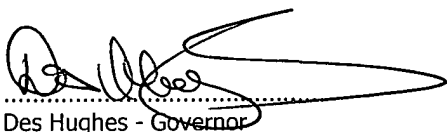
All incoming resources and resources expended arise from continuing activities.

Warren Farm Primary School (Registered number: 08055393)

Balance Sheet
At 31 August 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	10	2,472,766	2,527,344
CURRENT ASSETS			
Debtors	11	74,387	51,069
Cash at bank		<u>138,332</u>	<u>184,367</u>
		212,719	235,436
CREDITORS			
Amounts falling due within one year	12	(41,892)	(20,406)
NET CURRENT ASSETS		<u>170,827</u>	<u>215,030</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,643,593	2,742,374
PENSION LIABILITY	15	(382,000)	(577,000)
NET ASSETS		<u>2,261,593</u>	<u>2,165,374</u>
FUNDS	14		
Unrestricted funds		4,317	1,473
Restricted funds		<u>2,257,276</u>	<u>2,163,901</u>
TOTAL FUNDS		<u>2,261,593</u>	<u>2,165,374</u>

The financial statements were approved by the Board of Governors on 18/12/2014 and were signed on its behalf by:


Des Hughes - Governor

The notes form part of these financial statements

Warren Farm Primary School

Cash Flow Statement
for the year ended 31 August 2014

		Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Net cash (outflow)/inflow from operating activities	Notes 1	(31,367)	220,847
Returns on investments and servicing of finance	2	977	458
Capital expenditure and financial investment	2	(15,645)	(36,938)
(Decrease)/increase in cash in the period		<u>(46,035)</u>	<u>184,367</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		<u>(46,035)</u>	<u>184,367</u>
Change in net debt resulting from cash flows		<u>(46,035)</u>	<u>184,367</u>
Movement in net debt in the period		(46,035)	184,367
Net debt at 1 September		<u>184,367</u>	<u>-</u>
Net debt at 31 August		<u>138,332</u>	<u>184,367</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31 August 2014

1. RECONCILIATION OF NET (OUTGOING)\INCOMING RESOURCES TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Net (outgoing)\incoming resources	(153,781)	2,193,374
Depreciation charges	70,223	82,997
Transfer from Local Authority on conversion	-	(2,567,403)
Interest received	(977)	(458)
FRS 17 pension liability on conversion	-	521,000
FRS17 pension cost less contributions	33,000	(3,000)
FRS17 pension income	22,000	25,000
Increase in debtors	(23,318)	(51,069)
Increase in creditors	21,486	20,406
Net cash (outflow)/inflow from operating activities	<u>(31,367)</u>	<u>220,847</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Returns on investments and servicing of finance		
Interest received	<u>977</u>	<u>458</u>
Net cash inflow for returns on investments and servicing of finance	<u>977</u>	<u>458</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(15,645)</u>	<u>(36,938)</u>
Net cash outflow for capital expenditure and financial investment	<u>(15,645)</u>	<u>(36,938)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank	184,367	(46,035)	138,332
	<u>184,367</u>	<u>(46,035)</u>	<u>138,332</u>
Total	<u>184,367</u>	<u>(46,035)</u>	<u>138,332</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Accounting convention

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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

Donated services and gifts in kind

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

These are costs incurred on the Academy's educational operations.

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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 lives, as follows:

Freehold buildings	50 years/2%
Long leasehold buildings	50 years/2%
Fixtures, fittings and equipment	10 years/10%
ICT equipment	4 years/25%
Motor vehicles	4 years/25%
Plant and machinery	7 years/15%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the governors.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 quinquennial valuations using a prospective benefit method. As stated in Note 15, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

			Year Ended 31.8.14	Period 2.5.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Donations	34,014	-	34,014	44,189
Grants	-	-	-	7,364
	<u>34,014</u>	<u>-</u>	<u>34,014</u>	<u>51,553</u>

Grants received, included in the above, are as follows:

	Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Other DfE/YPLA/EFA grant	-	7,364

3. INVESTMENT INCOME

			Year Ended 31.8.14	Period 2.5.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Deposit account interest	<u>977</u>	<u>-</u>	<u>977</u>	<u>458</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			Year Ended 31.8.14 Total funds £	Period 2.5.12 to 31.8.13 Total funds £
	Unrestricted funds £	Restricted funds £		
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,296,000	1,296,000	1,511,335
Start Up Grant	-	-	-	25,000
Other DfE/YPLA/EFA grant	-	239,336	239,336	135,113
	-	1,535,336	1,535,336	1,671,448
Other government grant				
Local Authority grant	-	101,379	101,379	189,020
	-	1,636,715	1,636,715	1,860,468

5. RESOURCES EXPENDED

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Year Ended 31.8.14 Total £	Period 2.5.12 to 31.8.13 Total £
Charitable activities					
Academies educational operations					
Direct costs	791,920	45,180	196,281	1,033,381	974,587
Allocated support costs	485,574	223,038	77,569	786,181	921,511
	1,277,494	268,218	273,850	1,819,562	1,896,098
Governance costs including allocated support costs	-	-	5,925	5,925	5,600
	1,277,494	268,218	279,775	1,825,487	1,901,698

Net resources are stated after charging/(crediting):

	Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Auditors' remuneration	4,800	4,200
Auditors' remuneration for non-audit work	1,125	800
Depreciation - owned assets	70,223	82,997

Notes to the Financial Statements - continued
for the year ended 31 August 2014

6. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

			Year Ended 31.8.14	Period 2.5.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Direct costs - academy's educational operations				
Teaching and educational support staff	-	791,920	791,920	804,943
Depreciation	-	63,301	63,301	74,697
Technology costs	-	5,620	5,620	5,712
Educational supplies	20,580	31,757	52,337	51,517
Staff development	-	46,770	46,770	11,815
Educational consultancy	-	51,106	51,106	7,016
Other direct costs	-	22,327	22,327	18,887
	<u>20,580</u>	<u>1,012,801</u>	<u>1,033,381</u>	<u>974,587</u>
Allocated support costs - academy's educational operations				
Support staff costs	-	485,574	485,574	520,372
Depreciation	-	6,922	6,922	8,300
Technology costs	-	11,239	11,239	11,413
Maintenance of premises and equipment	-	79,471	79,471	157,302
Cleaning	-	5,206	5,206	3,806
Energy costs	-	19,783	19,783	23,737
Insurance	-	14,387	14,387	19,157
Security and transport	-	3,704	3,704	3,499
Catering	11,567	52,861	64,428	58,664
Other support costs	-	95,467	95,467	115,261
	<u>11,567</u>	<u>774,614</u>	<u>786,181</u>	<u>921,511</u>
	<u>32,147</u>	<u>1,787,415</u>	<u>1,819,562</u>	<u>1,896,098</u>

7. GOVERNANCE COSTS

			Year Ended 31.8.14	Period 2.5.12 to 31.8.13
	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Auditors' remuneration	(300)	5,100	4,800	4,200
Auditors' remuneration for non-audit work	300	825	1,125	800
Responsible officer audit	-	-	-	600
	<u>-</u>	<u>5,925</u>	<u>5,925</u>	<u>5,600</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

8. GOVERNORS' REMUNERATION AND BENEFITS

The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as governors. Other governors did not receive any payments or expenses from the academy trust in respect of their role as governors.

The value of governors' remuneration during the year ended 31 August 2014 (with comparative for period 15 months to 31 August 2013) was as follows:-

Mrs M Goodwin (Head teacher and governor)	£65,000-£70,000 (2013: £60,000-£65,000)
Mrs G Barr (Staff governor)	£50,000-£55,000 (2013: £50,000-£55,000)
Mrs S Bryan (Governor)	£5,000-£10,000 (2013: £5,000-£10,000)
Mrs J Stanley Governor)	£0 -£5,000 (2013: £0 -£5,000)

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the period ended 31 August 2013.

9. STAFF COSTS

	Year Ended 31.8.14 £	Period 2.5.12 to 31.8.13 £
Wages and salaries	1,018,923	1,117,040
Social security costs	70,802	73,424
Other pension costs	<u>178,125</u>	<u>117,135</u>
	1,267,850	1,307,599
Supply teacher costs	<u>9,644</u>	<u>17,716</u>
	<u><u>1,277,494</u></u>	<u><u>1,325,315</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	Year Ended 31.8.14	Period 2.5.12 to 31.8.13
Teachers	17	14
Administration and support	<u>22</u>	<u>19</u>
	<u><u>39</u></u>	<u><u>33</u></u>

The number of employees whose emoluments fell within the following bands was:

	Year Ended 31.8.14	Period 2.5.12 to 31.8.13
£60,001 - £70,000	<u><u>1</u></u>	<u><u>1</u></u>

The above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £9,167 (2013: £10,047).

Notes to the Financial Statements - continued
for the year ended 31 August 2014

10. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2013	2,510,000	52,124	2,000	46,217	2,610,341
Additions	-	9,455	-	6,190	15,645
At 31 August 2014	<u>2,510,000</u>	<u>61,579</u>	<u>2,000</u>	<u>52,407</u>	<u>2,625,986</u>
DEPRECIATION					
At 1 September 2013	58,567	7,996	2,000	14,434	82,997
Charge for year	<u>50,200</u>	<u>6,921</u>	<u>-</u>	<u>13,102</u>	<u>70,223</u>
At 31 August 2014	<u>108,767</u>	<u>14,917</u>	<u>2,000</u>	<u>27,536</u>	<u>153,220</u>
NET BOOK VALUE					
At 31 August 2014	<u>2,401,233</u>	<u>46,662</u>	<u>-</u>	<u>24,871</u>	<u>2,472,766</u>
At 31 August 2013	<u>2,451,433</u>	<u>44,128</u>	<u>-</u>	<u>31,783</u>	<u>2,527,344</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Other debtors	12,060	15,906
Prepayments and accrued income	<u>62,327</u>	<u>35,163</u>
	<u>74,387</u>	<u>51,069</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	14,798	10,270
Other creditors	-	5,136
Accruals and deferred income	<u>27,094</u>	<u>5,000</u>
	<u>41,892</u>	<u>20,406</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset Funds £	2014 Total funds £	2013 Total funds £
Fixed assets	-	-	2,472,766	2,472,766	2,527,344
Current assets	4,317	208,402	-	212,719	235,436
Current liabilities	-	(41,892)	-	(41,892)	(20,406)
Pension liability	-	<u>(382,000)</u>	-	<u>(382,000)</u>	<u>(577,000)</u>
	<u>4,317</u>	<u>(215,490)</u>	<u>2,472,766</u>	<u>2,261,593</u>	<u>2,165,374</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

14. MOVEMENT IN FUNDS

	At 1.9.13 £	Net movement in funds £	At 31.8.14 £
Unrestricted funds			
General fund	1,473	2,844	4,317
Restricted funds			
Local Authority Grants	83,367	(29,790)	53,577
Transfer from Local Authority on Conversion	130,190	(17,257)	112,933
Pension Reserve	(577,000)	195,000	(382,000)
DfE/YPLA/EFA Capital Grants	5,474	(763)	4,711
Capital expenditure from GAG	21,984	7,116	29,100
Transfer from local authority on conversion	<u>2,499,886</u>	<u>(60,931)</u>	<u>2,438,955</u>
	<u>2,163,901</u>	<u>93,375</u>	<u>2,257,276</u>
TOTAL FUNDS	<u><u>2,165,374</u></u>	<u><u>96,219</u></u>	<u><u>2,261,593</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	34,991	(32,147)	-	2,844
Restricted funds				
General Annual Grant (GAG)	1,280,356	(1,280,356)	-	-
Other DfE/YPLA/EFA grants	239,336	(239,336)	-	-
Local Authority Grants	101,378	(131,168)	-	(29,790)
Transfer from Local Authority on Conversion	-	(17,257)	-	(17,257)
Pension Reserve	-	(55,000)	250,000	195,000
DfE/YPLA/EFA Capital Grants	-	(763)	-	(763)
Capital expenditure from GAG	15,645	(8,529)	-	7,116
Transfer from local authority on conversion	<u>-</u>	<u>(60,931)</u>	<u>-</u>	<u>(60,931)</u>
	<u>1,636,715</u>	<u>(1,793,340)</u>	<u>250,000</u>	<u>93,375</u>
TOTAL FUNDS	<u><u>1,671,706</u></u>	<u><u>(1,825,487)</u></u>	<u><u>250,000</u></u>	<u><u>96,219</u></u>

15. PENSION 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 defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

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

15. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest 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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

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

15. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £66,000, of which employer's contributions totalled £43,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 11.5% for the employer and between 5.5% and 12.5% for employees dependent upon salary.

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.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(910,000)	(1,118,000)
Fair value of plan assets	<u>528,000</u>	<u>541,000</u>
	<u>(382,000)</u>	<u>(577,000)</u>
Deficit	<u>(382,000)</u>	<u>(577,000)</u>
Liability	<u>(382,000)</u>	<u>(577,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	76,000	59,000
Interest cost	56,000	56,000
Expected return	(34,000)	(31,000)
Past service cost	<u>-</u>	<u>56,000</u>
	<u>98,000</u>	<u>140,000</u>
Actual return on plan assets	<u>(79,000)</u>	<u>61,000</u>

Notes to the Financial Statements - continued
for the year ended 31 August 2014

15. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	2013
	£	£
Obligations brought forward	(1,118,000)	-
Current service cost	(76,000)	(59,000)
Contributions by scheme participants	(23,000)	(23,000)
Interest cost	(56,000)	(56,000)
Upon conversion to academy status	-	(922,000)
Actuarial losses/(gains)	363,000	(58,000)
	<u>(910,000)</u>	<u>(1,118,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Assets brought forward	541,000	-
Upon conversion to academy status	-	401,000
Contributions by employer	43,000	56,000
Contributions by scheme participants	23,000	23,000
Expected return	34,000	31,000
Actuarial gains/(losses)	(113,000)	30,000
	<u>528,000</u>	<u>541,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Equities	238,000	230,000
Government bonds	42,000	45,000
Other bonds	54,000	61,000
Property	46,000	47,000
Cash/liquidity	23,000	22,000
Other	<u>125,000</u>	<u>136,000</u>
	<u>528,000</u>	<u>541,000</u>

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class. The assumed investment return on government bonds is the yield on 20 year fixed interest gilts at the relevant date. As at 31 August 2014 this yield was 2.9%. The expected investment return on corporate bonds is based on market yields at the relevant date, although this will normally vary by duration. and the expected return should also take into account the risk of default in the corporate bond yield. Assumed returns on property are based on the expected long term returns on cash investments, plus a risk premium to allow for expected out-performance of property over cash, and an adjustment for the impact of the expected volatility of the returns.

Notes to the Financial Statements - continued
for the year ended 31 August 2014

15. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2014	2013
Discount rate	4%	2.5%
Expected return on scheme assets	5.88%	5.92%
Future salary increases	3.95%	4.25%
Future pension increases	2.2%	2.5%

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

	2014	2013
<u>Retiring today</u>		
Males	22.9 years	22.1 years
Females	25.5 years	24.8 years
<u>Retiring in 20 years</u>		
Males	25.1 years	23.9 years
Females	27.8 years	26.7 years

Amounts for the current and previous period are as follows:

	2014 £	2013 £
Defined benefit pension plans		
Obligations brought forward	(910,000)	(1,118,000)
Assets brought forward	528,000	541,000
Deficit	(382,000)	(577,000)

16. RELATED PARTY DISCLOSURES

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

No related party transactions took place in the year ended 31 August 2014 or in the period ended 31 August 2013.