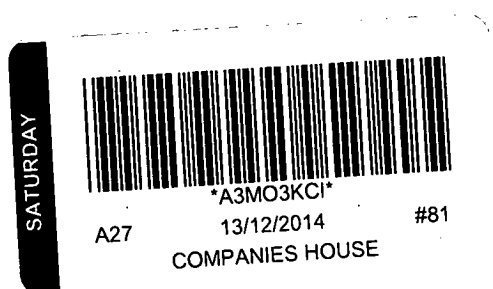


Warren Road Primary School
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 August 2014



Warren Road Primary School
(A company limited by guarantee)

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Warren Road Primary School
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Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2014

Members	C.J. Tarhan, Chair of Trustees ¹ M.P. Leng, Chair of Finance & HR Committee ¹ M. Barette (appointed 1 December 2013) R.V. Booth (appointed 1 September 2013)
Trustees	C. J. Tarhan, Chair of Trustees ¹ R. Edmonds, Headteacher and Accounting Officer ¹ M.P. Leng, Chair of Finance & HR Committee ¹ M. Barette R.V. Booth K. Brelsford ¹ J.S. English S. Fernando (appointed 10 March 2014) ¹ T.L. Harvey R. Hulme (appointed 10 March 2014) R.A. Jackson ¹ S.K. Jeremy, Staff Trustee (resigned 31 January 2014) J.A. Keene, Staff Trustee C. Knowles, Staff Trustee (appointed 10 March 2014) F. Musanhu ¹ P. Reddin V. Sackett C. Williams, Staff Trustee H. Yu

¹ members of the Finance & HR Committee

Company registered number 07645774

Principal and registered office Warren Road Primary School
Warren Road
Orpington
Kent
BR6 6JF

Senior management team R. Edmonds, Headteacher
T. Fletcher, Deputy Headteacher
L. Turner, Deputy Headteacher (resigned 31 August 2014)
S. Palmer, Assistant Headteacher (Numeracy)
L. Pennachia, Assistant Headteacher (Literacy) (resigned 21 April 2014)
J. Thomas, Assistant Headteacher (Literacy) (appointed 22 April 2014)
L. White, Business Manager

Independent auditors UHY Kent LLP t/a UHY Hacker Young
Chartered Accountants and
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

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

Warren Road Primary School
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2014

The trustees present their annual report and auditors' report of the academy trust for the year 1 September 2013 to 31 August 2014. The academy trust is known as Warren Road Primary School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

The trustees who were in office at 31 August 2014 and served throughout the year, except where shown, are included in the Reference and Administrative Details on page 1.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisation Structure

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

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

Warren Road Primary School
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Trustees' report (continued)
For the year ended 31 August 2014

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

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

Risk Management

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

Connected Organisations, Including Related Parties

There is a Parent Teacher Association, Warren Road School PTA, established as a separately registered charity, registration number 1087164, which organises various fundraising events to provide additional resources for the pupils. The academy is also a National Teaching School appointed by the National College. The Warren Teaching School Alliance (WTSA) was formed in 2012 in partnership with a number of local schools.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

Objective, Strategies and Activities

The academy trust's main strategy is encompassed in its school vision which is "Excellence for all", with the following values:

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

The main objectives of the academy trust during the year ended 31 August 2014 are summarised below:

- To raise attainment in writing across the school by 3% per level per year group from July 2013 results;
- To develop and implement an inspirational curriculum;
- To induct the Headteacher and embed Leadership Team roles and responsibilities;
- To continue to improve attendance;
- To further improve the quality of teaching so all teaching is good and increase outstanding provision; and
- To continue to improve the learning environment to support behaviour for learning.

Warren Road Primary School

(A company limited by guarantee)

Trustees' report (continued)

For the year ended 31 August 2014

Public Benefit

Warren Road Primary School is a state funded primary school which provides and strives to promote and support the advancement of education to primary school aged children within the wider Orpington area. In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, but, wherever possible, the school also aims to contribute to the benefit of the wider public through the provision of incidental educational and other activities. Over the year the contributions that benefitted the local community included the following:

- the Christ Church Community Project;
- establishing links to local community groups to plant bulbs on common ground;
- the use of High Elms facilities;
- STEM club with St Olave's Grammar School;
- donations of food to the Orpington Food Bank;
- the work of our Junior Road Safety Officers improving safe access to school;
- the provision of musical instruments to a student supporting a school in Kenya;
- participation in the Young Eco Engineers project;
- fund raising for Asthma UK, Cancer Research and Solar Aid;
- the Glee Club performing at the Bromley Prom; and
- providing work experience for students from local secondary schools.

Equal Opportunities

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

Disabled Persons

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

STRATEGIC REPORT

Achievements and Performance

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

	School Results	Bromley Results
Reading Level 4+	94.2%	92.0%
Writing Level 4+	91.7%	87.7%
Grammar Level 4+	84.3%	81.1%
Mathematics Level 4+	94.2%	90.6%
Science Level 4+	98.3%	91.5%

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

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

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

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the year. In relation to the first key performance indicator listed above, the Statement of Financial Activities on page 15 does show that the result for the year was net outgoing resources of £18,001, however as explained in the financial review on the next page the result before depreciation would have delivered a surplus, and on this basis the trustees feel that the expectation has been met.

Warren Road Primary School
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Trustees' report (continued)
For the year ended 31 August 2014

Financial Review

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

During the year ended 31 August 2014, the excess of expenditure over income, before actuarial movements on defined benefit pension schemes, was £18,001. The actuarial gain on the Local Government Pension Scheme (LGPS) of £36,000, part of a total positive movement of £23,000, resulted in an overall net increase funds of £17,999.

This overall increase in funds includes a non-cash depreciation charge of £103,950, in addition to the £23,000 reduction in the LGPS liability. The operational result before these accounting charges was a surplus of £98,949, of which £77,025 related to the General Annual Grant (GAG) fund, which tracks the main grant funding and related expenditure. This GAG surplus was then used to fund some of the capital additions in the year, leaving the GAG fund fully expended at 31 August 2014. A further £82,950 was transferred from the unrestricted general fund to meet the cost of capital additions.

At 31 August 2014, the net book value of fixed assets was £8,618,900 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

Financial Position

The academy trust held fund balances at 31 August 2014 of £8,347,517.

These funds included restricted fixed asset funds of £8,618,900, other restricted funds of £53,288 and unrestricted funds of £209,329.

Additionally there is a pension fund reserve with a deficit of £534,000. This does not mean that an immediate liability crystallises. The deficit results in a cash flow effect in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income.

Financial and Risk Management Objectives and Policies

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

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

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

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

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

Reserves Policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The trustees have determined that the permitted level of free reserves for recurrent costs should be maintained in order to provide sufficient working capital to cover delays between spending and receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

PRINCIPLE RISKS AND UNCERTAINTIES

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

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

Finance Risk - The risk of the academy trust not operating within its budget and running a deficit. Risks linked to income not increasing at the same rate of inflation over the coming years. There are risks also in connection with the deficit on the LGPS although the trustees are comfortable with the current level of employer contributions the academy trust is required to pay.

Warren Road Primary School
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Trustees' report (continued)
For the year ended 31 August 2014

PLANS FOR FUTURE PERIODS

The trustees' main plans for future periods are:

- To improve the quality of teaching so it is consistently good with more outstanding provision;
- To raise standards in writing;
- To provide effective support for pupils at risk of underachieving;
- To revise our provision to account for higher expectations in the new primary curriculum;
- To implement the new support staff structure; and
- To improve Parent Partnerships.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditor is unaware; and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2014 and signed on the board's behalf by:



C.J. Tarhan
Chair of Trustees



R. Edmonds
Headteacher and Accounting Officer

Warren Road Primary School
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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Warren Road Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C. J. Tarhan, Chair of Trustees	6	6
R. Edmonds, Headteacher and Accounting Officer	6	6
M.P. Leng, Chair of Finance & HR Committee	3	6
M. Barette	3	6
R.V. Booth	6	6
K. Brelsford	6	6
J.S. English	5	6
S. Fernando	1 *	2
T.L. Harvey	5	6
R. Hulme	1 *	2
R.A. Jackson	4	6
S.K. Jeremy	1	3
J.A. Keene	3	6
C. Knowles	1 *	2
F. Musanhu	4	6
P. Reddin	6	6
V. Sackett	5	6
C. Williams	6	6
H. Yu	6	6

**Attendance at a trustees meeting was not possible for newly elected governors due to a clash with the governor induction course run by the Bromley Governor Services.*

In December 2013 the trustees completed a self review by discussing the NGA's recommended twenty questions and analysing the governor skills matrix. Weak areas were concluded as law and finance. The letter to parents seeking nominations for one parent governor in March alluded to this and as a result a number of strong nominations were received. The trustees agreed to take two parent governors and were fortunate to have individuals with both finance and legal skills elected. The trustees expect to conduct a full self-evaluation with an external adviser before the end of the year.

During the period since September 2013, one trustee has resigned and three new trustees have been appointed (see page 1). The committee structure has remained unchanged comprising six small committees focussing on Teaching & Learning; Finance & HR; Building, Sites and H&S; Parents, Pupils and the Community; ICT and Pay all reporting into the main Governing Body.

The Finance & HR Committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound financial management. The Finance and HR Committee's remit also includes the functions of an audit committee. The Finance & HR Committee has formally met 7 times during the period under review. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M.P. Leng, Chair of Finance & HR Committee	6	7
R. Edmonds, Headteacher and Accounting Officer	7	7
C.J. Tarhan, Chair of Trustees	7	7
K. Brelsford	2	3
R.A. Jackson	1	7
F. Musanhu	6	7

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Governance Statement (continued)

S. Fernando has been appointed to the Finance and HR Committee since 1 September 2014 and hence is listed on page 1 as a member of the committee, but is not shown in the attendance records above.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Warren Road Primary School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance & HR 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UHY Hacker Young, the external auditors, to perform additional checks with effect from 1 September 2013.

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

During the year ended 31 August 2014 the risks to internal control have been fully delivered in line with the requirements of the Education Funding Agency, and the appointee has delivered their schedule of work as planned. No material control issues have arisen from the appointee's work.

Review of Effectiveness

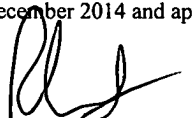
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 9 December 2014 and approved on its behalf by:


C.J. Tarhan
Chair of Trustees


R. Edmonds
Accounting Officer

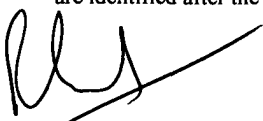
Warren Road Primary School
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Warren Road Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the academy trust board of trustees are able to identify any material, irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook (2013).

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



R. Edmonds
Accounting Officer

Date: 9 December 2014

Warren Road Primary School
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Trustees' responsibilities statement
For the year ended 31 August 2014

The trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees and signed on its behalf by:



C.J. Tarhan
Chair of Trustees

Date: 9 December 2014

Warren Road Primary School
(A company limited by guarantee)

Independent auditors' report to the Board of trustees of Warren Road Primary School

We have audited the financial statements of Warren Road 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report 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 academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Warren Road Primary School
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Independent auditors' report to the Board of trustees of Warren Road Primary School

Matters on which we are required to report by exception

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

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

UHY Kent LLP

Allan Hickie BSc FCA (Senior statutory auditor)
for and on behalf of
UHY Kent LLP
Chartered Accountants and
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *11 December 2014*

Warren Road Primary School
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Warren Road Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2014 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 Road Primary School during the year 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 Road Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Warren Road Primary School and 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 Road Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Warren Road Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Warren Road Primary School's funding agreement with the Secretary of State for Education dated 30 June 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 year 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 EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Warren Road Primary School for the year ended 31 August 2014 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

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

Warren Road Primary School
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Warren Road Primary School and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Allan Hickie BSc FCA
for and on behalf of

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

Date: 11 December 2014

Warren Road Primary School
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
For the year ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	19,451	-	7,724	27,175	40,664
Activities for generating funds	3	308,318	-	-	308,318	311,543
Investment income	4	2,493	-	-	2,493	496
Incoming resources from charitable activities	5	-	3,012,720	13,495	3,026,215	3,256,181
Total incoming resources		330,262	3,012,720	21,219	3,364,201	3,608,884
Resources Expended						
Costs of activities for generating funds	6	241,994	11,998	-	253,992	198,930
Academy trust's educational operations	8	127,351	2,877,491	103,950	3,108,792	3,130,374
Governance costs	9	-	19,418	-	19,418	17,866
Total resources expended	7	369,345	2,908,907	103,950	3,382,202	3,347,170
Net incoming / (outgoing) resources before transfers		(39,083)	103,813	(82,731)	(18,001)	261,714
Transfers between Funds	17	(82,950)	(77,025)	159,975	-	-
Net income / (expenditure) for the year		(122,033)	26,788	77,244	(18,001)	261,714
Actuarial gains and losses on defined benefit pension schemes	22	-	36,000	-	36,000	146,000
Net movement in funds for the year		(122,033)	62,788	77,244	17,999	407,714
Total funds at 1 September 2013	17	331,362	(543,500)	8,541,656	8,329,518	7,921,804
Total funds at 31 August 2014	17	209,329	(480,712)	8,618,900	8,347,517	8,329,518

All activities relate to continuing operations.

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

The notes on pages 18 to 34 form part of these financial statements.

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

Balance sheet
As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	14		8,618,900		8,541,656
Current assets					
Debtors	15	110,292		274,246	
Cash at bank		413,132		410,813	
		<u>523,424</u>		<u>685,059</u>	
Creditors: amounts falling due within one year	16	(260,807)		(340,197)	
Net current assets			262,617		344,862
Total assets less current liabilities			<u>8,881,517</u>		<u>8,886,518</u>
Pension scheme liability	22		(534,000)		(557,000)
Net assets including pension scheme liability			<u><u>8,347,517</u></u>		<u><u>8,329,518</u></u>
Funds of the academy					
Restricted funds :					
Restricted funds	17	53,288		13,500	
Restricted fixed asset funds	17	8,618,900		8,541,656	
		<u>8,672,188</u>		<u>8,555,156</u>	
Restricted funds excluding pension liability					
Pension reserve	17	(534,000)		(557,000)	
		<u></u>		<u></u>	
Total restricted funds			8,138,188		7,998,156
Unrestricted funds	17		209,329		331,362
			<u>209,329</u>		<u>331,362</u>
Total funds			<u><u>8,347,517</u></u>		<u><u>8,329,518</u></u>

The financial statements were approved by the trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:



C.J. Tarhan
Chair of Trustees

The notes on pages 18 to 34 form part of these financial statements.

Warren Road Primary School
(A company limited by guarantee)

Cash flow statement
For the year ended 31 August 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	159,801	87,312
Returns on investments and servicing of finance	20	2,493	496
Capital expenditure	20	(159,975)	(27,134)
Increase in cash in the year		2,319	60,674

Reconciliation of net cash flow to movement in net funds
For the year ended 31 August 2014

		2014 £	2013 £
Increase in cash in the year		2,319	60,674
Movement in net funds in the year	21	2,319	60,674
Net funds at 1 September 2013		410,813	350,139
Net funds at 31 August 2014		413,132	410,813

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 and include grants from Education Funding Agency.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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

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

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

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies (continued)

1.4 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

Individual assets costing more than £1,000 and groups of assets costing more than £5,000 are capitalised. Group of purchases are where the assets are purchased as part of one original purchase order.

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 are 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.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on leasehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	over 125 year term of the lease
Fixtures, fittings and equipment	-	25%
Computer equipment & software	-	33.33%

1.7 Pensions

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 22, 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.

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

1. Accounting policies (continued)

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 the 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 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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	19,451	7,724	27,175	40,664

3. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School trips income	12,767	-	12,767	10,721
School journey income	42,053	-	42,053	37,352
Catering income	145,970	-	145,970	125,404
Hire of facilities	33,202	-	33,202	36,041
Warren Teaching School Alliance	53,106	-	53,106	27,060
Other income	21,220	-	21,220	74,965
	308,318	-	308,318	311,543

4. Investment income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	2,493	-	2,493	496

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

5. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA capital grants				
Devolved formula capital grant	-	13,495	13,495	13,472
Academies Capital Maintenance Fund	-	-	-	274,510
	<u>-</u>	<u>13,495</u>	<u>13,495</u>	<u>287,982</u>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,795,596	2,795,596	2,733,392
Pupil Premium	-	88,561	88,561	54,130
	<u>-</u>	<u>2,884,157</u>	<u>2,884,157</u>	<u>2,787,522</u>
Other funding				
Other government grants	-	116,456	116,456	140,757
IAR matrix funding	-	12,107	12,107	39,920
	<u>-</u>	<u>128,563</u>	<u>128,563</u>	<u>180,677</u>
	<u>-</u>	<u>3,026,215</u>	<u>3,026,215</u>	<u>3,256,181</u>

6. Costs of activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Trips and journeys	51,082	-	51,082	53,670
Catering costs	138,612	11,998	150,610	139,633
Warren Teaching School Alliance costs (non staff)	9,075	-	9,075	-
Allocated support costs	1,454	-	1,454	2,117
Voluntary income staff costs (including Warren Teaching School Alliance)	41,771	-	41,771	3,510
	<u>241,994</u>	<u>11,998</u>	<u>253,992</u>	<u>198,930</u>

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

7. Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
		£	£		
Costs of generating voluntary income	41,771	1,454	210,767	253,992	198,930
Academy's educational activities:					
Direct costs	2,141,472	42,994	271,211	2,455,677	2,404,810
Support costs	380,505	135,791	136,819	653,115	725,564
	2,521,977	178,785	408,030	3,108,792	3,130,374
Governance costs including allocated support costs	3,807	3,635	11,976	19,418	17,866
	2,567,555	183,874	630,773	3,382,202	3,347,170

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

8. Charitable activities

	Total funds 2014 £	Total funds 2013 £
Direct costs - educational operations		
Wages and salaries	1,784,175	1,791,554
National insurance	119,013	127,068
Pension cost	238,284	242,221
Depreciation	98,471	77,890
Books, apparatus and stationery	90,227	66,828
Staff development	83,084	69,853
Educational consultancy	19,711	12,908
Other direct costs	22,712	16,488
	2,455,677	2,404,810
Support costs - educational operations		
Wages and salaries	290,912	283,608
National insurance	20,368	13,389
Pension cost	69,225	93,162
Depreciation	5,479	4,100
Recruitment and support	3,263	10,913
Maintenance of premises and equipment	33,049	57,558
Cleaning	10,993	10,536
Rent and rates	24,130	23,398
Heat and light	31,703	35,173
Insurance	29,200	29,315
Non-educational advice	51,232	37,978
Security	4,453	4,439
Technology costs	18,615	33,995
Bank interest and charges	1,585	1,495
Other support costs	58,908	86,505
	653,115	725,564
	3,108,792	3,130,374

9. Governance costs

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	7,375	7,375	7,175
Auditors' non audit costs	2,020	2,020	1,500
Legal and professional fees	2,500	2,500	350
Allocated occupancy costs	3,635	3,635	5,291
Trustees' expenses reimbursed	81	81	40
Allocated administrative costs	3,807	3,807	3,510
	19,418	19,418	17,866

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

10. Net incoming / (outgoing) resources

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the academy trust	103,950	81,990
Auditors' remuneration	7,375	7,175
Auditors' remuneration - non-audit	2,020	1,500

11. Trustees' remuneration and expenses

The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration, including employer's pension contributions, fell within the following bands:

	2014 £	2013 £
R. Edmonds, Headteacher and Accounting Officer	95,000-100,000	<i>not a trustee</i>
S.K. Jeremy, Staff Trustee (resigned 31 January 2014)	20,000-25,000	40,000-45,000
J.A. Keene, Staff Trustee	25,000-30,000	20,000-25,000
C. Knowles, Staff Trustee (appointed 10 March 2014)	0-5,000	<i>not a trustee</i>
C. Williams, Staff Trustee (appointed June 2013)	30,000-35,000	5,000-10,000

During the year ended 31 August 2014 expenses totalling £81 (2013 - £40) were reimbursed to one trustee (2013 - one trustee).

12. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,335 (2013 - £1,159). The cost of this insurance is included in the total insurance cost.

13. Staff

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,008,995	1,963,619
Social security costs	139,381	140,457
Pension costs	307,509	335,383
	2,455,885	2,439,459
Supply teacher costs	111,670	118,563
	2,567,555	2,558,022

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

13. Staff (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014	2013
	No. (FTE)	No. (FTE)
Teachers	30	30
Teaching assistants, administration and support staff	40	38
Management	4	4
	<u>74</u>	<u>72</u>

The average number of persons employed by the academy during the year expressed on a head count basis, as required by the Companies Act, was as follows:

	2014	2013
	No. (headcount)	No. (headcount)
Teachers	39	39
Teaching assistants, administration and support staff	83	84
Management	5	5
	<u>127</u>	<u>128</u>

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £ 80,001 - £ 90,000	1	0
In the band £ 90,001 - £ 100,000	0	1
	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £11,798 (2013 £13,209).

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

14. Tangible fixed assets

	Leasehold land & buildings	Furniture & equipment	Computer equipment & software	Total
	£	£	£	£
Cost				
At 1 September 2013	8,553,660	76,680	80,300	8,710,640
Additions	93,371	23,116	64,707	181,194
At 31 August 2014	8,647,031	99,796	145,007	8,891,834
Depreciation				
At 1 September 2013	92,598	39,631	36,755	168,984
Charge for the year	45,257	20,998	37,695	103,950
At 31 August 2014	137,855	60,629	74,450	272,934
Net book value				
At 31 August 2014	8,509,176	39,167	70,557	8,618,900
At 31 August 2013	8,461,062	37,049	43,545	8,541,656

Included in leasehold land & buildings is lease hold land at valuation of £2,922,367 (2013 - £2,922,367), which is not depreciated.

15. Debtors

	2014	2013
	£	£
Trade debtors	-	2,364
Other debtors	24,958	55,763
Prepayments and accrued income	85,334	216,119
	110,292	274,246

16. Creditors:
Amounts falling due within one year

	2014	2013
	£	£
Other taxation and social security	40,180	43,165
Other creditors	39,421	36,709
Accruals and deferred income	181,206	260,323
	260,807	340,197

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

16. Creditors:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2013	92,678
Resources deferred during the year	100,849
Amounts released from previous years	(92,678)
	<hr/>
Deferred income at 31 August 2014	100,849
	<hr/> <hr/>

The deferred income above which will be expended in the 2014/2015 academic year relates to the following:

	2014 £	2013 £
Collaborative Teaching Schools Project	-	83,000
Counselling service via the Big Lottery Fund	-	9,678
Universal Infant Free School Meals	77,179	-
School trips	23,670	-
	<hr/>	<hr/>
Total	100,849	92,678
	<hr/> <hr/>	<hr/> <hr/>

Warren Road Primary School
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2014

17. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	331,362	330,262	(369,345)	(82,950)	-	209,329
Restricted funds						
General Annual Grant	-	2,795,596	(2,718,571)	(77,025)	-	-
Other DfE/EFA grants	13,500	88,561	(48,773)	-	-	53,288
Other government grants	-	128,563	(128,563)	-	-	-
Pension reserve	(557,000)	-	(13,000)	-	36,000	(534,000)
	<u>(543,500)</u>	<u>3,012,720</u>	<u>(2,908,907)</u>	<u>(77,025)</u>	<u>36,000</u>	<u>(480,712)</u>
Restricted fixed asset funds						
DfE/EFA capital grants	314,561	13,495	(2,568)	-	-	325,488
Donated fixed asset fund	8,185,609	-	(70,020)	-	-	8,115,589
Capital expenditure from revenue funds	41,486	-	(31,357)	159,975	-	170,104
Other donated assets	-	7,724	(5)	-	-	7,719
	<u>8,541,656</u>	<u>21,219</u>	<u>(103,950)</u>	<u>159,975</u>	<u>-</u>	<u>8,618,900</u>
Total restricted funds	<u>7,998,156</u>	<u>3,033,939</u>	<u>(3,012,857)</u>	<u>82,950</u>	<u>36,000</u>	<u>8,138,188</u>
Total of funds	<u>8,329,518</u>	<u>3,364,201</u>	<u>(3,382,202)</u>	<u>-</u>	<u>36,000</u>	<u>8,347,517</u>

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

- (i) General Annual Grant ("GAG") must be used for the normal running costs of the academy trust.
- (ii) The other DfE/EFA grants fund is used to track non-GAG grants received from the EFA, the DfE or executive agencies of the DfE, and includes Pupil Premium.
- (iii) The other government grants fund is used to track grants provided by other government departments
- (iv) The pensions reserve is a restricted fund to account for the liability arising under The Local Government Pension Scheme.
- (v) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The gross transfer of £159,975 represents the total capital expenditure in the year in excess capital funding received. £82,950 has been funded from the general unrestricted fund and £77,025 has been funded from the GAG fund.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

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18. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	8,618,900	8,618,900	8,541,656
Current assets	210,026	313,398	-	523,424	685,059
Creditors due within one year	(697)	(260,110)	-	(260,807)	(340,197)
Pension scheme liability	-	(534,000)	-	(534,000)	(557,000)
	<u>209,329</u>	<u>(480,712)</u>	<u>8,618,900</u>	<u>8,347,517</u>	<u>8,329,518</u>

19. Net cash flow from operations

	2014 £	2013 £
Net incoming resources before revaluations	(18,001)	261,714
Returns on investments and servicing of finance	(2,493)	(496)
Capital grants and other capital income	(21,219)	(287,982)
Depreciation of tangible fixed assets	103,950	81,990
Decrease/(increase) in debtors	164,651	(168,441)
(Decrease)/increase in creditors	(80,087)	153,527
FRS 17 pension cost less contribution payable	2,000	27,000
FRS 17 pension finance costs	11,000	20,000
Net cash inflow from operations	<u>159,801</u>	<u>87,312</u>

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	<u>2,493</u>	<u>496</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(181,194)	(315,116)
Capital grants from DfE	13,495	287,982
Other capital donation	7,724	-
Net cash outflow capital expenditure	<u>(159,975)</u>	<u>(27,134)</u>

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21. Analysis of changes in net funds

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	410,813	2,319	-	413,132
Net funds	410,813	2,319	-	413,132

22. Pension commitments

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

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

Contributions amounting to £38,612 were payable to the scheme at 31 August 2014 (2013 - £36,709) and are included within creditors.

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.

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22. Pension commitments (continued)

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 from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted 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 trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £133,000, of which employer's contributions totalled £106,000 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 24.3% for employers and 5.5% - 12.5% for employees.

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

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22. Pension commitments (continued)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	7.00	623,000	7.00	690,000
Bonds	3.80	145,000	4.40	128,000
Gilts	2.90	-	3.40	21,000
Cash	0.50	6,000	0.50	13,000
Other	7.00	97,000	7.00	80,000
Total market value of assets		871,000		932,000
Present value of scheme liabilities		(1,405,000)		(1,489,000)
Deficit in the scheme		(534,000)		(557,000)

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,405,000)	(1,489,000)
Fair value of scheme assets	871,000	932,000
Net liability	(534,000)	(557,000)

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

	2014 £	2013 £
Current service cost	(108,000)	(123,000)
Interest on obligation	(72,000)	(56,000)
Expected return on scheme assets	61,000	36,000
Total	(119,000)	(143,000)
Actual return on scheme assets	103,000	137,000

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

	2014 £	2013 £
Opening defined benefit obligation	1,489,000	1,329,000
Current service cost	108,000	123,000
Interest cost	72,000	56,000
Contributions by scheme participants	27,000	25,000
Actuarial (gains)/losses	(291,000)	(44,000)
Closing defined benefit obligation	1,405,000	1,489,000

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22. Pension commitments (continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	932,000	673,000
Expected return on assets	61,000	36,000
Actuarial gains	(255,000)	102,000
Contributions by employer	106,000	96,000
Contributions by employees	27,000	25,000
	<u>871,000</u>	<u>932,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was a loss of £25,000 (2013 - a loss of £61,000).

The academy trust expects to contribute £108,000 to its Defined benefit pension scheme in the year ended 31 August 2015.

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.60 %
Rate of increase in salaries	3.60 %	4.70 %
Rate of increase for pensions in payment / inflation	2.10 %	2.40 %
Inflation assumption (CPI)	2.10 %	2.40 %

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

	2014	2013
Retiring today		
Males	23.0	23.1
Females	25.4	26.5
Retiring in 20 years		
Males	25.3	25.1
Females	28.3	28.5

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

	£	£	£
Adjustment to discount rate:	+0.1%	0.0%	-0.1%
- Present value of total obligation	1,377,000	1,405,000	1,433,000
- Projected service cost	107,000	110,000	113,000
Adjustment to mortality age rating assumption:	+ 1 year	None	- 1 year
- Present value of total obligation	1,430,000	1,405,000	1,380,000
- Projected service cost	112,000	118,000	124,000

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22. Pension commitments (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,405,000)	(1,489,000)	(1,329,000)
Scheme assets	871,000	932,000	673,000
Deficit	(534,000)	(557,000)	(656,000)
Experience adjustments on scheme liabilities	262,000	-	-
Experience adjustments on scheme assets	(255,000)	102,000	17,000

23. Related party transactions

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

During the year the trust received a donation of £17,414 (2013: £11,668) of which £7,724 was capital from the school Parent Teacher Association, Warren Road School PTA.

24. Ultimate Controlling party

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