

Company Registration Number: 07627110 (England & Wales)

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

VERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members and Governors Paul Lincoln, OBE, Member
Richard Hall, Member
Christopher Dean, Member

Brenda Morley MBE, Chair, Member and Governor
Keith Stride, Headteacher and Accounting Officer
Aaron Banham
Claire Buxton, Staff Governor (appointed 1 September 2019)
Angela Christmas (resigned 31 August 2020)
Joanna Cook (appointed 4 October 2019)
Simon Doubell
Peter Duus
James Eales (resigned 4 December 2019)
Mary Hattley, Staff Governor (appointed 12 October 2019)
David Nicholls
Karthik Sankaran
Mohan Shekar
Marion Williams, Member and Governor

**Company registered
number**

07627110

Company name

Overton Grange Academy

**Principal and registered
office**

36 Stanley Road
Sutton
Surrey
SM2 6TQ

Company secretary

Karen Brown

Chief executive officer

Keith Stride

Independent auditor

MHA MacIntyre Hudson
Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

OVERTON GRANGE SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) as amended by Update Bulletins 1 and 2.

The Academy Trust operates an academy for pupils aged 11 to 19 serving a catchment area in Sutton. It has a pupil capacity of 1,480 and had a roll of 1,245 in the school census on 5th October 2019.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the Academy Trust.

The Trustees of Overton Grange School are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Overton Grange Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

Governors benefit from indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance during the year was £146.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The management of the School is the responsibility of the Governors who are elected and co-opted under the terms of the Academy deed. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of legislation.

The Governing Body may appoint up to 16 Governors, whose term of office shall be for four years, save that this time limit shall not apply to the Headteacher who shall be treated for all purposes as ex officio Governor. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governors who were in office at 31st August 2020 and who served during the year are listed on page 1.

e. Policies adopted for the induction and training of Trustees

The training and induction procedures for new Governors will depend on their existing experience. Where necessary, induction will include training on educational, legal and financial and safeguarding matters. All new Governors will be given the opportunity of a tour of the school, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to fulfil their role as Governors. As there is expected to be only a small number of new Governors each year, induction will be carried out informally and will be tailored specifically to the individual. All Governors are required to have an enhanced DBS disclosure.

f. Organisational structure

The School's organisational structure consists of three levels: the Members, the Governors and the Senior Leadership Team (SLT).

The Members meet on an annual basis to receive the annual accounts, note any Governor appointments or re-appointments and review the overall operation of the School.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. There is an extensive committee structure reporting into the main Governing Body. This includes Curriculum and Student, Resources and Personnel Committees which meet in a cycle, normally three times a year. All have approved terms of reference set out in the Governing Body Standing Orders.

During the year in question, the full Governing Body met on three occasions.

The Headteacher is the School's Accounting Officer. The SLT controls the School at an executive level, implements the policies laid down by the Governors and reports back to them. Members of the SLT are responsible for developing and implementing School's plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by the Governing Body. They are responsible for managing the day to day operation of the School, specifically staff, facilities and students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

All arrangements for setting pay and remuneration of key management personnel are overseen by the School's Pay and Performance Panel. The Panel reviews all recommendations for pay and remuneration for teaching staff submitted by the Headteacher following the outcome of the Performance Management Cycle. The pay and remuneration of the Headteacher is determined by the Panel based on the recommendations of Governors who carry out the Headteacher's performance management. The School's Personnel Committee reviews the staffing structure, staffing changes and approves teacher scale points annually. The Pay and Performance Panel considers recommendations for staff job evaluations.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	- %

Objectives and activities

a. Objects and aims

The Overton Grange School Vision: We want Overton Grange School to be a safe, challenging and happy community which prepares learners of today for the demands and opportunities of tomorrow.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

Aims and Objectives: In partnership with parents and the community, Overton Grange School aims to provide opportunities for its students that enable them to play an active role in the twenty-first century. As members of a co-educational comprehensive school, students have full access to and experience of the curriculum regardless of race, class, gender, physical ability and religious belief. The school promotes a sense of self-esteem, responsibility and tolerance in young people. It values and challenges the individual so that they achieve the highest levels of attainment whatever their starting point.

Overton Grange School places great emphasis on high academic and vocational standards and has at its heart the development of the whole person. Expectations are high and the achievement of the individual is celebrated. Overton Grange School provides a supportive atmosphere based on self-discipline, mutual respect, co-operation and understanding. Students are encouraged to take responsibility both for their own learning and for the environment in which they live.

For the year ended 31 August 2020, our key priorities were:

To improve attainment and attendance for all groups and ensure all students make good progress in each key stage with a focus on vulnerable groups, (SEND, LAC, EAL, PP) Year 7 catch up and More Able Students.

To improve further the quality of teaching and learning in all key stages through a continued focus on the recruitment and retention of good quality staff, the teaching of boys and developing differentiation.

Strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff. To maintain the school building to as high a standard as possible, and to review the progress of the partnership with the University of Brighton Academies Trust.

c. Public benefit

The Governors of the School have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

Overton Grange School aims to be an outstanding and inclusive school for the local community, specifically the 11-19 year olds who attend the School but also the wider community including local primary school and the public through the letting of its premises. The priority is a high quality education for its students in a safe and caring community.

Strategic report

Achievements and performance

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

This school continues to be 'Good'. In April 2019 the school was again rated 'Good' on inspection from Ofsted, which reported further progress from the previous full inspection rating of 'Good' along with a wide range of strengths including parental satisfaction, teaching, student behaviour and safety, safeguarding, governance and school leadership, the sixth form, the quality of relationships in the school, pastoral care and guidance and extra-curricular provision.

In addition, the Ofsted report stated that 'safeguarding arrangements are robust and fit for purpose' and 'Governors are committed to providing support and challenge'.

The 2019/20 academic year took a turn that no-one could foresee, and this presented additional challenges. Although education did not take place on the school site for the majority of our students after 20th March 2020, the school was by no means closed. From 23rd March vulnerable students and the children of key workers continued to be taught on site. Access was also maintained for pastoral support to any student who needed it. This was staffed on a rota basis. The remainder of students were taught from home settings with staff setting work through on line portals. Home contact was arranged via form tutors to ensure the well-being of the students. At the end of the summer term, some face to face sessions on the school site were permitted with Overton Grange School prioritising access for years 10 and 12 who were in the middle of their exam syllabus. These sessions had to operate with greatly modified practices in school to protect bubbles of students. To maintain safe operating protocols in line with the applicable guidance at the time, each small group was brought in to school at different times and/or days with cleaning undertaken between these sessions.

School funding from government remained in place and staff received their full salary throughout the period. Electronic communication with staff needed to be maintained and support arranged especially for those who were shielding.

Despite the circumstances, the school managed to recruit to all vacant posts.

The school lost income through the cessation of lettings during the lockdown period. As government guidance is adjusted, we are working with our previous letting groups to gradually bring any permitted operation back into the building. This is requiring additional work for both the school and the group, in risk assessing the activity, and providing additional cleaning routines to comply with Coronavirus guidance.

Expenditure patterns amended during lockdown.

The school was bound by PPN to make some payments to suppliers of services. We also incurred additional costs for a short period in providing our students with tesco vouchers to cover free school meals. This was ceased when the government scheme became operational and the costs from that point were covered by the government directly.

School cleaning contractors remained in operation, with their own challenges to overcome such as not being able to use public transport for staff travel, shielding and isolating those with symptoms. The school has incurred additional Health and Safety costs to be able to operate in the limited manner over the summer term.

In the Summer of 2020 public exams were cancelled and students in years 11 and 13 did not sit their final exams due to control measures around the global pandemic. After some agonising last minute process changes between government and exam boards, these students have received results from their courses based on the higher of either moderated Centre Assessed Grades or the grade from the awarding body algorithm. As

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

a consequence there are no school performance tables for this year, results data will not be used in Ofsted inspections, and data to analyse and compare results is limited. We are able to confirm that at KS5 our average A level grade increased to a B-, and at KS4 our % of students achieving Grade 5 in English and Maths increased to 44.72%. The school is also very pleased to note that all of our pupil premium students had a post-16 destination, whether remaining in the school sixth form, college or apprenticeships.

Guidance for the full opening of schools from 1st September 2020 has necessitated a further set of guidelines and modifications around school. Again our budget has been required to cover equipment to facilitate this and ensure all staff and students can return to the building with risks reduced as much as possible. This pattern of adjustment will be required at least throughout the Autumn term.

Alongside examination performance, Overton Grange students were able to benefit from an eventful start to the year, getting involved in many enrichment opportunities. Within the premises, students can gain from our refurbished Mac suite. CCTV facilities were enhanced for the safety of all site users.

The school students and staff supported various charities throughout the first term; including Christmas hamper boxes, Readathon and the Sutton Food Bank. The school has committed resources to support awareness of positive mental health and well-being amongst students and staff, including support to manage exam stress. With training in on-line safety also arranged in school.

At external events, the prize of an author visit to our school took place in the Spring term, our students won Gold, Silver and Bronze medals at the Pentathlon games. The school's application to work on the Musicmark award has been accepted. Overton Grange gained the Sutton Music Hub Silver Award. Our students continue to participate in a variety of sports competitions. Internally our House teams competed in events such as Photography and Decorate your door.

Financial Performance Indicators

Number of students on roll (31st August)

2020 1212
2019 1199
2018 1246
2017 1261
2016 1294
2015 1252
2014 1236
2013 1265
2012 1283
2011 1265
2010 1293
2009 1261

Staff turnover	New Staff	% of total staff
2020	8	5.8
2019	5	3.8
2018	25	18.6
2017	15	11.0
2016	16	10.0

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

2015	11	13.7
2014	20	13.1
2013	12	6.8
2012	12	6.7
2011	11	6.1
2010	7	3.9

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

Financial review

The accounting period runs from 1 September 2019 to 31 August 2020. The majority of the Academies income is obtained from the ESFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2020 and the associated expenditure is shown as restricted funds in the statement of financial activities.

Staff costs continue to represent the largest category of expenditure for the School. The School is committed to ensuring that staffing levels are strategically planned and managed to ensure a sustainable budget and to optimise the quality of teaching and learning of students at the School. All expenditure is reviewed to ensure that it represents value for money for the School.

Prudent financial management of the Schools' resources has been necessary as, in line with the rest of the sector, the School has faced continuing financial pressure.

a. Reserves policy

As at 31st August 2020, the total funds comprised restricted funds of £20,270,207 analysed into restricted fixed asset funds of £24,509,809, GAG of £365,398 and the pension reserve deficit of £4,605,000. Unrestricted reserves total £386,577. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves' for use on the general purposes of the School at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital.

The deficit on the pension reserve relates to the support staff, where, unlike the teachers' pension scheme, separate assets are held to fund future liabilities as discussed in note 24.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Investment policy

During the year the School held all of its funds in an interest bearing account at a major UK clearing bank and with A1, P1 short-term credit rating. There are no plans to generate a higher return on any future cash balances, unless this can be achieved without increasing counterparty credit risk.

c. Principal risks and uncertainties

The School practices, through its Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the full Governing Body with proposed mitigating actions and they continue to be actively reported until the risk is adequately mitigated.

The Governing Body accepts managing risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risk to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the SLT.

The principal risks facing the School are:

Reputational risk – mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour and providing a broad-based and relevant curriculum.

Performance risk – mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.

Financial risk – the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.

Personnel risks – mitigated by ensuring that the school has correct recruitment and performance management procedures and that all staff are supported, motivated and valued.

Unfunded additional duties placed on schools

Global pandemic – poses the risk of further lockdown periods being imposed on the school. The risks are mitigated through investment in time and resources to facilitate planning across all departments to be ready and able to offer remote learning to all impacted students should the situation occur again.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The School is funded by public money to support the basic needs of providing education facilities. In order to add to the enrichment of our students' educational experience, the school will attempt to raise additional monies to ensure this additional work is sustainable.

Each opportunity to raise money for the school will be considered on an individual basis, taking account of such factors as: the possible benefit, the risks either financially or to the school's reputation, the costs likely to be incurred in raising the funds.

Fundraising activities are organised directly through the school's personnel. Fundraising for the benefit of our students will be undertaken through:

- The letting of school facilities to both local community and commercial groups. Costs for such activities will be met by ensuring that fees charged are sufficient to make the event commercially viable for the school.
- The collection of a voluntary school fund donation from parents, costs of collection being minimal as the school's existing on line payment system can be used.

The school has a complaints policy to enable it to deal with a complaint regarding fundraising activities, however no such complaints have been received during the year.

Plans for future periods

Over the next academic year Overton Grange will continue to focus on improvement in four key areas; Attendance & Attainment, Quality of Teaching and Learning, Curriculum development and Strategic management of resources, along with the formation of any necessary interventions to support students either academically or with well-being following the period of home learning. Our School Development Plan identifies operational targets and actions to achieve these aims.

Funds held as custodian on behalf of others

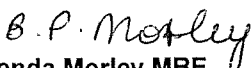
There are no assets subject to custodian arrangements except for the ESFA 16-19 Bursary Funds.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3rd December 2020 and signed on its behalf

by: 
Brenda Morley MBE
Chair


Keith Stride, Headteacher
Accounting Officer

OVERTON GRANGE SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Overton Grange 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 Overton Grange 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 3 times during the year. One of the meetings did not take place due to Covid-19, however governors on this occasion have been counted as attending if they participated in the electronic approval process that was adopted

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Brenda Morley MBE, Chair	3	3
Keith Stride, Headteacher and Accounting Officer	3	3
Aaron Banham	2	3
Clare Buxton	3	3
Angela Christmas	3	3
Joanna Cook	3	3
Simon Doubell	3	3
Peter Duus	3	3
Mary Hattley	3	3
David Nicholls	2	3
Karthik Sankaran	3	3
Mohan Shekar	2	3
Marion Williams	1	3

The Governors continue to monitor their governance arrangements and consider these have operated effectively in the period under review.

The Resources Committee is a sub-committee of the main board of Governors. Its purpose is to provide financial oversight for the School. This will include consideration of the audit process, the annual financial statements and ongoing reviews.

One of the meetings did not take place due to Covid-19, however governors on this occasion have been counted as attending if they participated in the electronic approval process that was adopted.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Brenda Morley MBE, Chair	3	3
Keith Stride, Headteacher and Accounting Officer	3	3
Claire Buxton	2	2
Simon Doubell	3	3
James Eales	0	1
Mohan Shekar	2	3
Marion Williams	3	3

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Investing in replacement IT server, to improve efficient working for staff and students. Ensuring the school finance policy was followed in obtaining quotations for services prior to appointing a supplier.
- Ensuring staffing structures are reviewed at any natural opportunities, prior to replacements being recruited to vacant posts.
- Embarking on a programme to review longer term contracts as they require renewal.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Overton Grange School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

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 2019 to 31 August 2020 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- 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 MHA MacIntyre Hudson, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

testing of payroll systems
testing of purchase systems
testing of control accounts and bank reconciliations

On an annual basis, report is made to the board of Trustees through the audit function of the Resources committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress..

No significant issues were reported during the year.

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the external auditor;
- 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 Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3rd December 2020 and signed
on their behalf by:

B. P. Morley
Brenda Morley MBE
Chair of Trustees

Keith Stride
Keith Stride, Headteacher
Accounting Officer

OVERTON GRANGE SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Overton Grange School I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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



Keith Stride, Headteacher
Accounting Officer

Date: 3rd December 2020

OVERTON GRANGE SCHOOL
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on
3rd December 2020 and signed on its behalf by:

Brenda Morley MBE
Chair

B. P. Morley

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OVERTON GRANGE SCHOOL**

Opinion

We have audited the financial statements of Overton Grange School (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OVERTON GRANGE SCHOOL (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OVERTON GRANGE SCHOOL (CONTINUED)**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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



MHA MacIntyre Hudson
Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

Date: 22 December 2020

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OVERTON GRANGE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction , we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Overton Grange School during the year 1 September 2019 to 31 August 2020 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 Overton Grange School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Overton Grange School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Overton Grange School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Overton Grange School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Overton Grange School's funding agreement with the Secretary of State for Education dated 25 February 2019 and the Academies Financial Handbook, extant from 1 September 2019, 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 . 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OVERTON GRANGE SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- Review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy.
- Testing of a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing of a sample of grants received and other income streams.

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson
Chartered Accountants

2 London Wall Place
London
EC2Y 5AU

Date: 22 December 2020

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	10,464	67,295	65,512	143,271	141,647
Charitable activities		-	7,261,883	-	7,261,883	7,194,721
Other trading activities		75,430	-	-	75,430	75,179
Investments	6	1,049	-	-	1,049	925
Total income		86,943	7,329,178	65,512	7,481,633	7,412,472
Expenditure on:						
Raising funds		2,359	-	-	2,359	4,094
Charitable activities	8	-	7,394,348	497,781	7,892,129	7,782,972
Total expenditure		2,359	7,394,348	497,781	7,894,488	7,787,066
Net income/ (expenditure)		84,584	(65,170)	(432,269)	(412,855)	(374,594)
Transfers between funds	18	-	(21,734)	21,734	-	-
Total transfers		-	(21,734)	21,734	-	-
Net movement in funds before other recognised gains/(losses)		84,584	(86,904)	(410,535)	(412,855)	(374,594)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(930,000)	-	(930,000)	(444,000)
Net movement in funds		84,584	(1,016,904)	(410,535)	(1,342,855)	(818,594)

VERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Note					
Reconciliation of funds:					
Total funds brought forward	301,993	(3,222,698)	24,920,344	21,999,639	22,818,233
Net movement in funds	84,584	(1,016,904)	(410,535)	(1,342,855)	(818,594)
Total funds carried forward	386,577	(4,239,602)	24,509,809	20,656,784	21,999,639
18					

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

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07627110

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	<u>24,457,062</u>	<u>24,877,625</u>
		24,457,062	24,877,625
Current assets			
Stocks	15	10,615	11,181
Debtors	16	140,899	157,166
Cash at bank and in hand		<u>1,190,255</u>	<u>1,053,266</u>
		1,341,769	1,221,613
Creditors: amounts falling due within one year	17	<u>(537,047)</u>	<u>(649,599)</u>
Net current assets		<u>804,722</u>	<u>572,014</u>
Total assets less current liabilities		<u>25,261,784</u>	<u>25,449,639</u>
Net assets excluding pension liability		<u>25,261,784</u>	<u>25,449,639</u>
Defined benefit pension scheme liability	24	<u>(4,605,000)</u>	<u>(3,450,000)</u>
Total net assets		<u><u>20,656,784</u></u>	<u><u>21,999,639</u></u>

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07627110

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	24,509,809	24,920,344
Restricted income funds	18	365,398	227,302
Restricted funds excluding pension liability	18	24,875,207	25,147,646
Pension reserve	18	(4,605,000)	(3,450,000)
Total restricted funds	18	20,270,207	21,697,646
Unrestricted income funds	18	386,577	301,993
Total funds		20,656,784	21,999,639

The financial statements on pages 23 to 51 were approved by the Trustees, and authorised for issue on
3rd December 2020 and are signed on their behalf, by:

B. P. Morley

Brenda Morley MBE
Chair

Keith Stride

Keith Stride, Headteacher
Accounting Officer

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	147,646	266,223
Cash flows from investing activities	21	(10,657)	(32,818)
Change in cash and cash equivalents in the year		136,989	233,405
Cash and cash equivalents at the beginning of the year		1,053,266	819,861
Cash and cash equivalents at the end of the year	22, 23	<u>1,190,255</u>	<u>1,053,266</u>

The notes on pages 28 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Overton Grange School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 3 years straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 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.

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

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

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

The Academy is a member of a multi-employer plan. Where it is not possible for the Academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

1.13 Fund accounting

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	10,464	-	-	10,464
Grants	-	67,295	65,512	132,807
	<u>10,464</u>	<u>67,295</u>	<u>65,512</u>	<u>143,271</u>

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	14,727	-	14,727
Grants	-	126,920	126,920
	<u>14,727</u>	<u>126,920</u>	<u>141,647</u>

OVERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's direct costs - Educational Operations

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant (GAG)	6,426,852	6,426,852
Other EFSA/DfE grants	367,563	367,563
Pupil premium	261,520	261,520
	<u>7,055,935</u>	<u>7,055,935</u>
Other government grants		
SEN allocation	100,930	100,930
	<u>100,930</u>	<u>100,930</u>
Other income from charitable activities		
Trip income	74,109	74,109
Other income	30,909	30,909
	<u>7,261,883</u>	<u>7,261,883</u>
Total 2020	<u><u>7,261,883</u></u>	<u><u>7,261,883</u></u>
	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants		
General Annual Grant (GAG)	6,437,326	6,437,326
Other EFSA/DfE grants	196,917	196,917
Pupil premium	236,231	236,231
	<u>6,870,474</u>	<u>6,870,474</u>
Other government grants		
SEN Allocation	76,438	76,438
	<u>76,438</u>	<u>76,438</u>
	<u>6,946,912</u>	<u>6,946,912</u>
Other income from charitable activities		
Trip income	201,088	201,088
Other income	46,721	46,721
	<u>7,194,721</u>	<u>7,194,721</u>
Total 2019	<u><u>7,194,721</u></u>	<u><u>7,194,721</u></u>

VERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Lettings and other miscellaneous income	75,430	75,430

	Unrestricted funds 2019 £	Total funds 2019 £
Lettings and other miscellaneous income	75,179	75,179

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	1,049	1,049

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest receivable	925	925

VERTON GRANGE SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Allocated support costs	-	-	2,359	2,359
Direct costs - Educational Operations:				
Direct costs	5,508,189	-	312,436	5,820,625
Allocated support costs	922,004	386,949	762,551	2,071,504
Total 2020	6,430,193	386,949	1,077,346	7,894,488

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:				
Allocated support costs	-	-	4,094	4,094
Direct costs - Educational Operations:				
Direct costs	5,213,108	-	575,495	5,788,603
Allocated support costs	767,874	386,949	839,546	1,994,369

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Total funds 2020 £
Direct costs - Educational Operations	7,892,129	7,892,129

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Direct costs - Educational operations	7,678	7,775,294	7,782,972

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Direct costs - Educational Operations	5,820,625	2,071,504	7,892,129

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Direct costs - Educational operations	5,788,603	1,994,369	7,782,972

Analysis of support costs

	Activities 2020 £	Total funds 2020 £
Staff costs	807,748	807,748
Depreciation	497,781	497,781
Technology costs	109,991	109,991
Premises costs	387,652	387,652
Other support costs	254,523	254,523
Governance costs	13,809	13,809
	<u>2,071,504</u>	<u>2,071,504</u>

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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Activities 2019 £	Total funds 2019 £
Pension income	71,000	71,000
Staff costs	767,874	767,874
Depreciation	479,895	479,895
Technology costs	45,754	45,754
Premises costs	385,988	385,988
Other support costs	232,395	232,395
Governance costs	11,463	11,463
Total 2019	<u>1,994,369</u>	<u>1,994,369</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	497,781	479,895
Fees payable to auditor for:		
- audit	9,750	9,500
- other services	2,100	2,000
	<u>9,850</u>	<u>11,500</u>

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FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,671,306	4,437,914
Social security costs	472,019	435,871
Pension costs	1,210,222	954,607
	<u>6,353,547</u>	<u>5,828,392</u>
Agency staff costs	76,646	152,590
	<u>6,430,193</u>	<u>5,980,982</u>

b. Staff numbers

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

	2020 No.	2019 No.
Teaching	75	75
Management	7	7
Administration and support	48	48
	<u>130</u>	<u>130</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	1	-
	<u>4</u>	<u>4</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension

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FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

d. Key management personnel (continued)

contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £648,326 (2019 £606,051).

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Keith Stride, Headteacher and Accounting Officer	Remuneration	85,000 -	75,000 -
		90,000	80,000
Gerald Bennett, Joint Headteacher	Pension contributions paid	20,000 -	10,000 -
		25,000	15,000
Charlotte Auger, Staff Governor	Remuneration	75,000 -	80,000
		60,000	60,000
Stephen Gilmore, Staff Governor	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
Shelene Brown, Staff Governor	Remuneration	35,000 -	40,000
		40,000	40,000
Clare Buxton, Staff Governor	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	Remuneration	30,000 -	35,000
		45,000	5,000 -
	Pension contributions paid	10,000 -	10,000
		15,000	

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £156 (2019 - £156). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Freehold property £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 September 2019	27,595,380	560,206	19,449	28,175,035
Additions	-	77,218	-	77,218
At 31 August 2020	<u>27,595,380</u>	<u>637,424</u>	<u>19,449</u>	<u>28,252,253</u>
Depreciation				
At 1 September 2019	3,015,116	262,845	19,449	3,297,410
Charge for the year	415,663	82,118	-	497,781
At 31 August 2020	<u>3,430,779</u>	<u>344,963</u>	<u>19,449</u>	<u>3,795,191</u>
Net book value				
At 31 August 2020	<u>24,164,601</u>	<u>292,461</u>	<u>-</u>	<u>24,457,062</u>
At 31 August 2019	<u>24,580,264</u>	<u>297,361</u>	<u>-</u>	<u>24,877,625</u>

15. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>10,615</u>	<u>11,181</u>

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	20,692	16,896
Other debtors	33,598	21,853
Prepayments and accrued income	86,609	118,417
	<u>140,899</u>	<u>157,166</u>

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17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	141,903	201,561
Other taxation and social security	119,316	117,617
Accruals and deferred income	275,828	330,421
	<u>537,047</u>	<u>649,599</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	301,993	86,943	(2,359)	-	-	386,577
Restricted general funds						
Restricted Fund -ESFA funding	227,302	7,329,178	(7,169,348)	(21,734)	-	365,398
Pension reserve	(3,450,000)	-	(225,000)	-	(930,000)	(4,605,000)
	<u>(3,222,698)</u>	<u>7,329,178</u>	<u>(7,394,348)</u>	<u>(21,734)</u>	<u>(930,000)</u>	<u>(4,239,602)</u>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	24,920,344	65,512	(497,781)	21,734	-	24,509,809
Total Restricted funds	<u>21,697,646</u>	<u>7,394,690</u>	<u>(7,892,129)</u>	<u>-</u>	<u>(930,000)</u>	<u>20,270,207</u>
Total funds	<u><u>21,999,639</u></u>	<u><u>7,481,633</u></u>	<u><u>(7,894,488)</u></u>	<u><u>-</u></u>	<u><u>(930,000)</u></u>	<u><u>20,656,784</u></u>

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

The General Fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the School.

The LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the

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18. Statement of funds (continued)

pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the school and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Assets fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	222,934	90,831	(11,772)	-	-	301,993
Restricted general funds						
Restricted Fund -ESFA funding	94,777	7,194,721	(7,062,399)	203	-	227,302
Pension reserve	(2,773,000)	-	(233,000)	-	(444,000)	(3,450,000)
	<u>(2,678,223)</u>	<u>7,194,721</u>	<u>(7,295,399)</u>	<u>203</u>	<u>(444,000)</u>	<u>(3,222,698)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	25,195,460	126,920	(479,895)	35,141	-	24,877,626
Capital grants	78,062	-	-	(35,344)	-	42,718
	<u>25,273,522</u>	<u>126,920</u>	<u>(479,895)</u>	<u>(203)</u>	<u>-</u>	<u>24,920,344</u>
Total Restricted funds	<u>22,595,299</u>	<u>7,321,641</u>	<u>(7,775,294)</u>	<u>-</u>	<u>(444,000)</u>	<u>21,697,646</u>
Total funds	<u><u>22,818,233</u></u>	<u><u>7,412,472</u></u>	<u><u>(7,787,066)</u></u>	<u><u>-</u></u>	<u><u>(444,000)</u></u>	<u><u>21,999,639</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	24,457,062	24,457,062
Current assets	386,577	902,445	52,747	1,341,769
Creditors due within one year	-	(537,047)	-	(537,047)
Provisions for liabilities and charges	-	(4,605,000)	-	(4,605,000)
Total	386,577	(4,239,602)	24,509,809	20,656,784

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	24,877,625	24,877,625
Current assets	301,993	876,901	42,719	1,221,613
Creditors due within one year	-	(649,599)	-	(649,599)
Provisions for liabilities and charges	-	(3,450,000)	-	(3,450,000)
Total	301,993	(3,222,698)	24,920,344	21,999,639

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(412,855)	(374,594)
Adjustments for:		
Depreciation	497,781	479,895
Capital grants from DfE and other capital income	(65,512)	(126,920)
Interest receivable	(1,049)	(925)
Defined benefit pension scheme cost less contributions payable	163,000	162,000
Defined benefit pension scheme finance cost	62,000	71,000
Decrease/(increase) in stocks	566	(1,514)
Decrease/(increase) in debtors	16,267	(59,168)
(Decrease)/increase in creditors	(112,552)	116,449
Net cash provided by operating activities	147,646	266,223

21. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	1,049	925
Purchase of tangible fixed assets	(77,218)	(160,663)
Capital grants from DfE Group	65,512	126,920
Net cash used in investing activities	(10,657)	(32,818)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,190,255	1,053,266
Total cash and cash equivalents	1,190,255	1,053,266

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,053,266	136,989	1,190,255
	<u>1,053,266</u>	<u>136,989</u>	<u>1,190,255</u>

24. Pension commitments

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 London Borough of Sutton. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £825,000 (2019 - £591,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £298,000 (2019 - £299,000), of which employer's contributions totalled £241,000 (2019 - £242,000) and employees' contributions totalled £ 57,000 (2019 - £57,000). The agreed contribution rates for future years are 27.5 per cent for employers and 5.5 to 12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy, 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. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	1.6	11.85

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.7

Sensitivity analysis - effect on projected service cost

	2020	2019
	£000	£000
Discount rate +0.1%	(445)	(389)
Discount rate -0.1%	471	405
Mortality assumption - 1 year increase	476	412
Mortality assumption - 1 year decrease	(441)	(383)
CPI rate +0.1%	471	397
CPI rate -0.1%	(446)	(397)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

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

	2020 £	2019 £
Equities	2,945,000	2,569,000
Gilts	919,000	829,000
Property	624,000	504,000
Cash and other liquid assets	142,000	1,000
Absolute return portfolio	70,000	33,000
Other	420,000	334,000
Total market value of assets	5,120,000	4,270,000

The actual return on scheme assets was £380,000 (2019 - £257,000).

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

	2020 £	2019 £
Current service cost	159,000	114,000
Interest income	81,000	105,000
Interest cost	(143,000)	(176,000)
Total amount recognised in the Statement of Financial Activities	97,000	43,000

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

	2020 £	2019 £
At 1 September	7,730,000	6,688,000
Current service cost	400,000	356,000
Interest cost	143,000	176,000
Benefits paid	(62,000)	(188,000)
Past service costs	-	45,000
Actuarial gains	1,457,000	596,000
Contributions by employees	57,000	57,000
At 31 August	9,725,000	7,730,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	4,280,000	3,915,000
Interest income	81,000	105,000
Employee contributions	57,000	57,000
Employer contributions	241,000	242,000
Actuarial gains	527,000	152,000
Benefits paid	(62,000)	(188,000)
Administration expenses	(4,000)	(3,000)
At 31 August	5,120,000	4,280,000

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

27. Agency arrangements

The Academy Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £9,493 and disbursed £9,493. A balance of £nil was repayable to the ESFA as at the Balance Sheet date and is included within creditors.

