

Registered number: 07627110

**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Brenda Morley MBE Marion Williams Paul Lincoln OBE Richard Hall (appointed 2 March 2017)
<b>Governors</b>	Brenda Morley MBE, Chair Keith Stride, Joint Acting Headteacher and Accounting Officer (appointed 1 September 2016) Gerald Bennett, Joint Acting Headteacher (appointed 1 September 2016) Aaron Banham Helen Binnie Carole Cook Charlotte Auger, Staff Governor Geoffrey Beresford Hartwell Stephen Gillmore, Staff Governor Kirsten Maclean, Staff Governor Charlotte Kenyon Peter Duus Marion Williams Simon Doubell David Nicholls James Eales (appointed 17 March 2017) Laura Page (resigned 20 September 2016)
<b>Company registered number</b>	07627110
<b>Company name</b>	Overton Grange School
<b>Principal and registered office</b>	36 Stanley Road Sutton Surrey SM2 6TQ
<b>Company secretary</b>	Janet Barnett
<b>Chief executive officer</b>	Brenda Morley MBE
<b>Senior management team</b>	Gerald Bennett, Joint Acting Headteacher Keith Stride, Joint Acting Headteacher David Eccles, Deputy Headteacher Tom Ridpath, Assistant Headteacher Carole Hilton-Grange, Assistant Headteacher Charlotte Auger, Assistant Headteacher Janet Barnett, School Business Manager Seonaid Ryan, Special Educational Needs Co-ordinator and Assistant Headteacher from 1 December 2016

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
<b>Bankers</b>	Lloyds TSB Sutton Surrey SM1 1DT
<b>Solicitors</b>	Winckworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

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**OVERTON GRANGE SCHOOL**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

The trust operates a School for pupils aged 11 to 19 serving a catchment area Sutton. It has a pupil capacity of 1,480 and had a roll of 1,294 in the school census on 11 October 2016.

**Structure, Governance and Management**

**a. Constitution**

The School is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the School.

The Governors of Overton Grange School are also the directors of the charitable company for the purpose of company law.

Details of the Governors who served during the year 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. Governors' 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 £206.

**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 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 2017 and who served during the year are listed on page 1.



**e. Policies and Procedures 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 four 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.

**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 Personnel Committee considers recommendations for staff job evaluations.

**h. Related parties and other connected charities and organisations.**

The School is a member of the Partnership of Sutton Secondary Schools, which includes autonomous converter academies and maintained schools within the London Borough of Sutton. The school and the Partnership work together for the benefit of all their students and other young people of Sutton and surrounding areas. They work collectively on matters of shared interest and co-operate with the Local Authority and local primary schools, secondary schools and special schools.

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**OVERTON GRANGE SCHOOL**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.

**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 2017, our priorities were:

1. 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, (Looked After Children, English as an Additional Language students, students for whom Pupil Premium is received), Year 7 'Catch-Up' and, more Able students.
2. 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; developing teacher-student dialogue through effective assessment, marking and feedback; and effective differentiation.
3. To implement curriculum developments in Key Stages 3, 4 and 5 in a coherent way that is consistent with the School's Ethos and Curriculum Aims by monitoring, clear communication, effective planning and the provision of CPD and other resources as required.
4. To strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff. This included ensuring the school's building programme is completed on time with minimum disruption and to a high standard and making a decision about joining a Multi-Academy Trust or not.

**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.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Achievements and Performance**

**a. Going Concern**

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

**b. Key Performance Indicators**

In January 2016, the school received a full (Section 5) Ofsted Inspection which reported significant progress since the previous inspection and 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.

The detailed Ofsted judgements were as follows:

Overall Effectiveness: Good (2)  
Effectiveness of leadership and management: Good (2)  
Quality of Teaching, learning and assessment: Good (2)  
Personal Development, Behaviour and Welfare: Good (2)  
Outcomes for Pupils: Good (2)  
16 to 19 Study Programmes: Good (2)

In addition, the Ofsted report stated that 'safeguarding is effective' and 'Governors perform their duties with meticulous scrutiny'.

The 2015 and 2016 GCSE examination results were the 'best ever' for Overton Grange School. This year, despite considerable uncertainty created through a new grading system for GCSE Maths and English the school once again performed well above national averages. In particular, our Maths and English results are very strong compared to both national and local data. Our 'A' Level results were very pleasing this summer and were a marked improvement on the 2016 results. Consequently around 90% are going onto university, with the remaining 10% entering work or starting apprenticeships.

**c. Financial Performance indicators**

Number of students on roll (31 August)

2017	1,261
2016	1,294
2015	1,252
2014	1,236
2013	1,265
2012	1,283
2011	1,265
2010	1,293
2009	1,261



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Staff turnover	New staff	%of total staff
2017	15	11.0
2016	16	10.0
2015	11	13.7
2014	20	13.1
2013	12	6.61
2012	12	6.67
2011	11	6.11
2010	7	3.69

**d. Financial Review**

**Funding**

The accounting period runs from 1 September 2016 to 31 August 2017. 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 2017 and the associated expenditure is shown as restricted funds in the statement of financial activities.

**Expenditure**

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.

**Financial position and policies**

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.

**e. Reserves Policy**

As at 31st August 2017, the total funds comprised restricted funds of £22,532,000 analysed into restricted fixed asset funds of £25,634,000, GAG of £142,000 and the pension reserve deficit of £3,244,000. Unrestricted reserves total £134,000. 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 23.

At 31 August 2017 the total funds comprised:

Unrestricted		£134,000
Restricted:	Fixed asset funds	£25,634,000
	Pension reserve	£(3,244,000)
	Other	£142,000
		<b>£22,666,000</b>

**f. 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.

**Financial Risk Management Objectives and Policies**

**a. 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 managed 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.

**Funds held as Custodian Trustee on behalf of others**

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

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors' Report was approved by order of the Board of Governors, as the company directors, on 7/12/17 and signed on its behalf by:

*B. P. Morley*

**Brenda Morley MBE**  
**Chair of Governors**

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**OVERTON GRANGE SCHOOL**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As Governors, 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.

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

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
B Morley	4	4
C Auger	4	4
A Banham	3	4
G Bennett (Joint Acting Headteacher appointed 01.09.16)	4	4
Geoffrey Beresford Hartwell	4	4
Helen Binnie	3	4
Carole Cook	3	4
Simon Doubell	4	4
Peter Duus	2	4
James Eales (appointed 17.03.17)	1	1
Stephen Gillmore (Staff Governor)	4	4
Charlotte Kenyon	1	4
Kirsty MacLean (Staff Governor)	4	4
David Nicholls	3	4
Laura Page (resigned 20.09.16)	0	0
Keith Stride (Joint Acting Headteacher and Accounting Officer appointed 01.09.16)	4	4
Marion Williams	3	4

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



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**GOVERNANCE STATEMENT (continued)**

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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.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
B Morley	3	3
Helen Binnie	1	3
Carole Cook	3	3
Simon Doubell	3	3
Peter Duus	3	3
James Eales (appointed 17.03.17)	1	1
Charlotte Kenyon	1	3
Kirsty MacLean (Staff Governor)	3	3
Keith Stride (Joint Acting Headteacher and Accounting Officer appointed 01.09.16)	3	3
Marion Williams	2	3

**Review of Value For Money**

As Accounting Officer the Headteacher has responsibility for ensuring that the school 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the School has delivered improved value for money during the year by:

Pursuing new initiatives:

In September 2017, in agreement with Unique FA the school reduced the number of students joining our Sixth Form through this programme since over the previous two years the students studying here had not met our expectations academically.

In September 2017 the School became a partner school of the University of Brighton Academies Trust. It is hoped that over the next few years this will help the school to achieve further economies of scale.

**GOVERNANCE STATEMENT (continued)**

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**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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Governors has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**The Risk and Control Framework**

The School'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 Governors;
- regular reviews by the 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors 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 School's financial systems. In particular the checks carried out in the current period included:

- a. testing of payroll systems
- b. testing of purchase systems
- c. testing of control accounts and bank reconciliations

On a termly basis, report is made to the board of Governors, through the finance committee on the operation of the systems of control and on the discharge of the board of Governors' financial responsibilities. No significant issues were reported during the year.

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**GOVERNANCE STATEMENT (continued)**

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**Review of Effectiveness**

As Accounting Officer, the Head Teacher 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 School who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Governors on 7/12/17 and signed on their behalf by:

*B. P. Morley*

**Brenda Morley MBE**  
**Chair of Governors**

*K. Stride*

**Keith Stride**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Overton Grange School I have considered my responsibility to notify the Academy Trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



**Keith Stride**  
Accounting Officer



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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 7/12/17 and signed on its behalf by:

*B.P. Morley*

**Brenda Morley MBE**  
**Chair of Governors**

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

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**OPINION**

We have audited the financial statements of Overton Grange School for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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.

In our opinion the financial statements:

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

**BASIS OF 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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.



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**(A Company Limited by Guarantee)**

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

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**OTHER INFORMATION**

The Governors 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. Our opinion on the financial statements does not cover the 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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF GOVERNORS**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the 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](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Rakesh Shaunak FCA (Senior Statutory Auditor)  
for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ  
Date:

20 - 12 - 17



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**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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

This report is made solely to Overton Grange School and the 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 the 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 the 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 24 March 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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.

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**OVERTON GRANGE SCHOOL**  
(A Company Limited by Guarantee)

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

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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.

**CONCLUSION**

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

*MHA MacIntyre Hudson*

**MHA MacIntyre Hudson**  
Chartered Accountants  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

Date: 20-12-17

**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	15	-	1,541	1,556	1,215
Charitable activities	3	-	7,117	-	7,117	7,144
Other trading activities	4	74	-	-	74	66
Investments	5	3	-	-	3	9
<b>TOTAL INCOME</b>		<b>92</b>	<b>7,117</b>	<b>1,541</b>	<b>8,750</b>	<b>8,434</b>
<b>EXPENDITURE ON:</b>						
Raising funds		2	-	-	2	9
Charitable activities		12	7,383	381	7,776	7,842
<b>TOTAL EXPENDITURE</b>	6	<b>14</b>	<b>7,383</b>	<b>381</b>	<b>7,778</b>	<b>7,851</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	78	(266)	1,160	972	583
		-	15	(15)	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		78	(251)	1,145	972	583
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,422	-	1,422	(1,796)
<b>NET MOVEMENT IN FUNDS</b>		<b>78</b>	<b>1,171</b>	<b>1,145</b>	<b>2,394</b>	<b>(1,213)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		56	(4,273)	24,489	20,272	21,485
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>134</b>	<b>(3,102)</b>	<b>25,634</b>	<b>22,666</b>	<b>20,272</b>

The notes on pages 24 to 45 form part of these financial statements.

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

**BALANCE SHEET**  
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Tangible assets	14		25,576		23,502
<b>CURRENT ASSETS</b>					
Stocks	15	10		8	
Debtors	16	128		18	
Cash at bank and in hand		672		1,588	
		<u>810</u>		<u>1,614</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<b>(476)</b>		<b>(461)</b>	
<b>NET CURRENT ASSETS</b>			<b>334</b>		<b>1,153</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>25,910</b>		<b>24,655</b>
Defined benefit pension scheme liability	23		<b>(3,244)</b>		<b>(4,383)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>22,666</b>		<b>20,272</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	18	142		110	
Restricted fixed asset funds	18	25,634		24,489	
Restricted income funds excluding pension liability		<u>25,776</u>		<u>24,599</u>	
Pension reserve		<b>(3,244)</b>		<b>(4,383)</b>	
Total restricted income funds			<b>22,532</b>		<b>20,216</b>
Unrestricted income funds	18		<b>134</b>		<b>56</b>
<b>TOTAL FUNDS</b>			<b>22,666</b>		<b>20,272</b>

The financial statements on pages 21 to 45 were approved by the Governors, and authorised for issue, on 7/12/17

*B. P. Morley*

**Brenda Morley MBE**  
Chair of Governors

The notes on pages 24 to 45 form part of these financial statements.



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**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	20	(6)	56
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		3	9
Purchase of tangible fixed assets		(2,455)	(211)
Capital grants from DfE/ESFA		1,542	1,198
<b>Net cash (used in)/provided by investing activities</b>		<b>(910)</b>	<b>996</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(916)</b>	<b>1,052</b>
Cash and cash equivalents brought forward		1,588	536
<b>Cash and cash equivalents carried forward</b>	21	<b>672</b>	<b>1,588</b>

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**OVERTON GRANGE SCHOOL**  
(A Company Limited by Guarantee)

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

Overton Grange School constitutes a public benefit entity as defined by FRS 102. Overton Grange School is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Governors' Report.

The presentational and functional currency is pound sterling and all figures are rounded to the nearest thousand pound.

**1.2 Going concern**

The Governors 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 Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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**OVERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.5 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.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.



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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

**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.

**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.



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

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1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the School and their measurement basis 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.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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 instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 255 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

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OVERTON GRANGE SCHOOL  
(A Company Limited by Guarantee)

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

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1. ACCOUNTING POLICIES (continued)

1.14 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 school 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	15	-	-	15	17
Grants	-	-	1,541	1,541	1,198
	<u>15</u>	<u>-</u>	<u>1,541</u>	<u>1,556</u>	<u>1,215</u>
<i>Total 2016</i>	<u>17</u>	<u>-</u>	<u>1,198</u>	<u>1,215</u>	

**OVERTON GRANGE SCHOOL**  
(A Company Limited by Guarantee)

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

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	6,351	6,351	6,319
Other ESFA/DfE grants	-	124	124	145
Pupil Premium	-	204	204	190
	-	6,679	6,679	6,654
<b>Other government grants</b>				
SEN allocation	-	172	172	150
	-	172	172	150
<b>Other income from charitable activities</b>				
Trip income	-	206	206	254
Other income	-	60	60	86
	-	266	266	340
	-	7,117	7,117	7,144
<i>Total 2016</i>	-	7,144	7,144	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Lettings income	74	-	74	66
<i>Total 2016</i>	66	-	66	



**VERTON GRANGE SCHOOL**  
**(A Company Limited by Guarantee)**

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

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest receivable	3	-	3	9
<i>Total 2016</i>	9	-	9	

**6. EXPENDITURE**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on fundraising trading	-	-	2	2	9
Activities:					
Direct costs	5,272	-	490	5,762	5,995
Support costs	741	481	792	2,014	1,847
	6,013	481	1,284	7,778	7,851
<i>Total 2016</i>	6,124	467	1,260	7,851	

In 2016 of the total expenditure of £7,851,000, £46,000 was from unrestricted funds, £7,416,000 was from restricted general funds and £389,000 from restricted fixed asset funds.

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Educational operations	5,762	2,014	7,776	7,842
<i>Total 2016</i>	5,995	1,847	7,842	

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**OVERTON GRANGE SCHOOL**  
(A Company Limited by Guarantee)

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

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**8. SUPPORT COSTS**

	<b>Educational operations £000</b>	<b>Total 2016 £000</b>
Pension income	96	99
Technology costs	65	88
Premises costs	481	467
Other support costs	240	162
Governance costs	10	14
Wages and salaries	741	628
Depreciation	381	389
	<u>2,014</u>	<u>1,847</u>
<i>At 31 August 2016</i>	<u>1,847</u>	

During the year ended 31 August 2017, the School incurred the following Governance costs: £10,000 (2016 - £14,000) in respect of Auditor's Remuneration.

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017 £000</b>	<b>2016 £000</b>
Depreciation of tangible fixed assets: - owned by the charity	<b>381</b>	<b>389</b>
Auditor's remuneration - audit fees	<b>8</b>	<b>8</b>
Auditor's remuneration - other services	<b>2</b>	<b>6</b>
	<u>          </u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	4,433	4,486
Social security costs	440	382
Operating costs of defined benefit pension schemes	927	859
	<u>5,800</u>	<u>5,727</u>
Supply teacher costs	114	298
Apprenticeship levy	3	-
Defined benefit pension scheme finance cost	96	99
	<u>6,013</u>	<u>6,124</u>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	77	87
Administration and support	53	62
Management	8	7
	<u>138</u>	<u>156</u>

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	0
In the band £90,001 - £100,000	0	1

The Key Management Personnel of the School comprise the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the School was £567,189 (2016 - £644,863).

NOTES TO THE FINANCIAL STATEMENTS  
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11. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		<b>2017</b>	2016
		<b>£000</b>	£000
Peter Butterworth, Headteacher and Accounting Officer	Remuneration		90-95
	Pension contributions paid		10-15
Keith Stride, Joint Acting Headteacher and Accounting Officer	Remuneration	<b>70-75</b>	
	Pension contributions paid	<b>10-15</b>	
Gerald Bennett, Joint Acting Headteacher	Remuneration	<b>70-75</b>	
	Pension contributions paid	<b>10-15</b>	
Charlotte Auger, Staff Governor	Remuneration	<b>50-55</b>	35-40
	Pension contributions paid	<b>5-10</b>	5-10
Kirsten Maclean, Staff Governor	Remuneration	<b>40-45</b>	40-45
	Pension contributions paid	<b>5-10</b>	5-10
Stephen Gillmore, Staff Governor	Remuneration	<b>30-35</b>	30-35
	Pension contributions paid	<b>5-10</b>	5-10
Karl Nicholas, Staff Governor	Remuneration		45-50
	Pension contributions paid		5-10

During the year, travel and other expenses of £Nil was reimbursed to Governors (2016 - £10 to 1 Governor).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors 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 2017 was £206 (2016 - £261).

13. PENSION FINANCE COST

	<b>2017</b>	2016
	<b>£000</b>	£000
Interest income on pension scheme assets	<b>67</b>	95
Interest on pension scheme liabilities	<b>(163)</b>	(194)
	<b>(96)</b>	(99)



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**14. TANGIBLE FIXED ASSETS**

	Leasehold Land and Buildings £000	Motor Vehicles £000	Computer Equipment and Fixture and Fittings £000	Total £000
<b>Cost</b>				
At 1 September 2016	25,220	20	229	25,469
Additions	2,333	-	122	2,455
At 31 August 2017	<u>27,553</u>	<u>20</u>	<u>351</u>	<u>27,924</u>
<b>Depreciation</b>				
At 1 September 2016	1,820	20	127	1,967
Charge for the year	364	-	17	381
At 31 August 2017	<u>2,184</u>	<u>20</u>	<u>144</u>	<u>2,348</u>
<b>Net book value</b>				
At 31 August 2017	<u>25,369</u>	<u>-</u>	<u>207</u>	<u>25,576</u>
At 31 August 2016	<u>23,400</u>	<u>-</u>	<u>102</u>	<u>23,502</u>

Included in land and buildings is leasehold land at valuation of £6,812,000 (2016 - £6,812,000) which is not depreciated.

**15. STOCKS**

	2017 £000	2016 £000
Finished goods and goods for resale	<u>10</u>	<u>8</u>

**16. DEBTORS**

	2017 £000	2016 £000
Trade debtors	4	4
Other debtors	52	2
Prepayments and accrued income	72	12
	<u>128</u>	<u>18</u>

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**17. CREDITORS: Amounts falling due within one year**

	2017 £000	2016 £000
Trade creditors	108	66
Other taxation and social security	114	121
Accruals and deferred income	254	274
	<u>476</u>	<u>461</u>
	2017 £000	2016 £000
<b>Deferred income</b>		
Deferred income at 1 September 2016	18	-
Resources deferred during the year	135	18
Amounts released from previous years	(18)	-
	<u>135</u>	<u>18</u>

At the balance sheet date the Academy was holding funds received in advance in respect of school trips and funding received in advance of the new academic year.

**18. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
General funds	56	92	(14)	-	-	134
	<u>56</u>	<u>92</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>134</u>
<b>Restricted funds</b>						
	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General Annual Grant (GAG)	110	6,351	(6,334)	15	-	142
Pupil Premium	-	204	(204)	-	-	-
Other DfE/ESFA Grants	-	124	(124)	-	-	-
Local Authority Grants	-	172	(172)	-	-	-
Other income	-	266	(266)	-	-	-
Pension reserve	(4,383)	-	(283)	-	1,422	(3,244)
	<u>(4,273)</u>	<u>7,117</u>	<u>(7,383)</u>	<u>15</u>	<u>1,422</u>	<u>(3,102)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Net book value of fixed assets	23,502	-	(381)	2,455	-	25,576
Capital grants	987	1,541	-	(2,470)	-	58
	<u>24,489</u>	<u>1,541</u>	<u>(381)</u>	<u>(15)</u>	<u>-</u>	<u>25,634</u>
Total restricted funds	<u>20,216</u>	<u>8,658</u>	<u>(7,764)</u>	<u>-</u>	<u>1,422</u>	<u>22,532</u>
Total of funds	<u>20,272</u>	<u>8,750</u>	<u>(7,778)</u>	<u>-</u>	<u>1,422</u>	<u>22,666</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
<b>Unrestricted funds</b>						
General funds	60	92	(46)	(50)	-	56
	<u>60</u>	<u>92</u>	<u>(46)</u>	<u>(50)</u>	<u>-</u>	<u>56</u>
<b>Restricted funds</b>						
	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Restricted general funds	155	7,144	(7,239)	50	-	110
Pension reserve	(2,410)	-	(177)	-	(1,796)	(4,383)
	<u>(2,255)</u>	<u>7,144</u>	<u>(7,416)</u>	<u>50</u>	<u>(1,796)</u>	<u>(4,273)</u>

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**18. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Net book value of fixed assets	23,680	-	(389)	211	-	23,502
Capital grants	-	1,198	-	(211)	-	987
	<u>23,680</u>	<u>1,198</u>	<u>(389)</u>	<u>-</u>	<u>-</u>	<u>24,489</u>
Total restricted funds	<u>21,425</u>	<u>8,342</u>	<u>(7,805)</u>	<u>50</u>	<u>(1,796)</u>	<u>20,216</u>
Total of funds	<u>21,485</u>	<u>8,434</u>	<u>(7,851)</u>	<u>-</u>	<u>(1,796)</u>	<u>20,272</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 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.



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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	25,576	25,576
Current assets	134	617	58	809
Creditors due within one year	-	(475)	-	(475)
Provisions for liabilities and charges	-	(3,244)	-	(3,244)
	<u>134</u>	<u>(3,102)</u>	<u>25,634</u>	<u>22,666</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	23,502	23,502
Current assets	56	571	987	1,614
Creditors due within one year	-	(461)	-	(461)
Provisions for liabilities and charges	-	(4,383)	-	(4,383)
	<u>56</u>	<u>(4,273)</u>	<u>24,489</u>	<u>20,272</u>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £000	2016 £000
Net income for the year (as per Statement of Financial Activities)	972	583
<b>Adjustment for:</b>		
Depreciation charges	381	389
Dividends, interest and rents from investments	(3)	(9)
Increase in stocks	(2)	(1)
(Increase)/decrease in debtors	(110)	37
Increase in creditors	15	78
Capital grants from DfE and other capital income	(1,542)	(1,198)
Defined benefit pension scheme cost less contributions payable	187	78
Defined benefit pension scheme finance cost	96	99
<b>Net cash (used in)/provided by operating activities</b>	<u>(6)</u>	<u>56</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2017</b>	2016
	<b>£000</b>	£000
Cash in hand	<b>672</b>	1,588
Total	<b>672</b>	1,588

**22. CAPITAL COMMITMENTS**

At 31 August 2017 the Academy had capital commitments as follows:

	<b>2017</b>	2016
	<b>£000</b>	£000
Contracted for but not provided in these financial statements	<b>123</b>	987

**23. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 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**

**Introduction**

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

NOTES TO THE FINANCIAL STATEMENTS  
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23. PENSION COMMITMENTS (continued)

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

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

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

**Valuation of the Teachers' Pension Scheme**

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

**Scheme Changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.



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**23. PENSION COMMITMENTS (continued)**

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

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

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

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £524,000 (2016 - £685,000).

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £296,000 (2016 - £290,000), of which employer's contributions totalled £238,000 (2016 - £231,000) and employees' contributions totalled £58,000 (2016 - £59,000). The agreed contribution rates for future years are 25.5% to 27.5% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2017</b>	<b>2016</b>
Discount rate for scheme liabilities	<b>2.60 %</b>	2.20 %
Rate of increase in salaries	<b>4.20 %</b>	4.10 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.30 %
Inflation assumption (CPI)	<b>2.70 %</b>	2.70 %



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**23. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	24.4	22.2
Females	26.0	24.8
Retiring in 20 years		
Males	26.7	24.1
Females	28.3	27.0

Sensitivity analysis	At 31 August	At 31 August
	2017	2016
	£000	£000
Discount rate +0.1%	(140)	-
Discount rate -0.1%	143	-
Mortality assumption - 1 year increase	233	-
Mortality assumption - 1 year decrease	(225)	-
CPI rate +0.1%	(17)	-
CPI rate -0.1%	17	-

The above table reflects the movement in the present value of total obligation. Comparative figures have not been provided by the Actuary.

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

	Fair value at	Fair value at
	31 August	31 August
	2017	2016
	£000	£000
Equities	2,213	2,135
Gilts	408	535
Other bonds	524	225
Property	274	208
Cash and other liquid assets	7	-
<b>Total market value of assets</b>	<b>3,426</b>	<b>3,103</b>

The actual return on scheme assets was £413,000 (2016 - £422,000).

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**23. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(425)	(309)
Interest income	67	95
Interest cost	(163)	(194)
Total	<u>(521)</u>	<u>(408)</u>

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

	2017 £000	2016 £000
Opening defined benefit obligation	7,486	4,820
Current service cost	425	309
Interest cost	163	194
Employee contributions	58	59
Actuarial (gains)/losses	(1,243)	2,116
Benefits paid	(219)	(12)
Closing defined benefit obligation	<u>6,670</u>	<u>7,486</u>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	3,103	2,410
Interest income	67	95
Actuarial losses	179	320
Employer contributions	238	231
Employee contributions	58	59
Benefits paid	(219)	(12)
Closing fair value of scheme assets	<u>3,426</u>	<u>3,103</u>

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**24. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
<b>Amounts payable:</b>		
Within 1 year	49	52
Between 1 and 5 years	49	98
Total	<u>98</u>	<u>150</u>

**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**

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

**27. AGENCY ARRANGEMENTS**

The School administers the distributions of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £12,638 (2016 - £11,078) and disbursed £12,334 (2016 - £11,078) with £Nil (2016 - £Nil) retained to cover administration expenses. A balance of £304 (2016 - £Nil) was repayable to the ESFA as at the balance sheet date.