

COMPANY REGISTRATION NUMBER 07627110

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 AUGUST 2013**

MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
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OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

Year ended 31 August 2013

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OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

Company Name	Overton Grange School
Company Registration Number	07627110
Principal Office	36 Stanley Road Sutton Surrey SM2 6TQ
Governors	Brenda Morley MBE* Geoffrey Bailey* Peter Butterworth (Headteacher and Accounting Officer) Carole Cook* Julia Gault Steven Gilmore (Staff Governor) Andrew Green (Appointed 1 September 2012) Richard Hall Helena Jordan* Paul Lincoln OBE* Nicola Lynch Patricia Roberts* Jane Weller (Staff Governor) Susannah Wheeler (Appointed 26 October 2012) Marion Williams* Peter Wood* (Staff Governor)
	* Members of the Resources Committee
Members	Brenda Morley MBE Geoffrey Bailey Paul Lincoln OBE
Secretary	Paul Collins

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

Senior Management Team

Peter Butterworth (Headteacher)
Gerald Bennett (Deputy Headteacher)
Keith Stride (Deputy Headteacher)
David Eccles (Assistant Headteacher)
Tarah Stevenson (Assistant Headteacher)
Carole Hilton-Grange (Assistant Headteacher)
Christopher Dean (School Business Manager until 31 8 2013)
Paul Collins (School Business Manager from 1 9 2013)

Independent Auditor

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

Bankers

Lloyds TSB
49/53 High Street
Sutton
Surrey
SM1 1DT

Solicitors

Winkworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

Year ended 31 August 2013

The Governors, who are also directors for the purposes of company law, present their report and the financial statements of the charitable company for the year ended 31 August 2013. The comparative period runs from 9 May 2011 to 31 August 2012.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on pages 1 to 2 of the financial statements.

The Governors

The Governors who served the academy during the period were as follows:

Brenda Morley MBE*	
Geoffrey Bailey*	
Peter Butterworth*	(Headteacher and Accounting Officer)
Carole Cook*	
Julia Gault	
Steven Gillmore	(Staff Governor)
Andrew Green	(Appointed 1 September 2012)
Richard Hall	
Helena Jordan*	
Paul Lincoln OBE*	
Nicola Lynch	
Patricia Roberts*	
Jane Weller	(Staff Governor)
Susannah Wheeler	(Appointed 26 October 2012)
Marion Williams*	
Peter Wood*	(Staff Governor)

* Members of the Resources Committee

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Structure, governance and management

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 documents of the academy trust.

The Governors act as the trustees for the charitable activities of Overton Grange School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Overton Grange School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

Governors benefit from indemnity insurance to cover the liability of the 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 £2,226.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Principal Activities

The Academy's object, as set out in its Articles of Association, is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

The management of the Academy 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 charity 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 Principal who shall be treated for all purposes as being an 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 31 August 2013 and who served during the year are listed on page 1 of this report.

Policies and Procedures Adopted for the Induction and Training of Governors

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 a CRB enhanced disclosure.

Organisational Structure

The Academy'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 Academy.

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, Finance, Personnel and Premises 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. A Governor is appointed to the role of Responsible Officer. The Finance and Premises Committees merged to become the Resources Committee on 6 December 2012.

During the year in question the full Governing Body met on 3 occasions.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Organisational Structure *(continued)*

The SLT controls the Academy 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 Academy 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 Academy, specifically staff, facilities and students.

Risk Management

The Governors have assessed the main risks to which the Academy is exposed, particularly those relating to teaching, facilities and finance. A number of systems are in place to assess risks that the Academy faces, notably in operational areas and finance. There are operational procedures and internal financial controls to minimise risk. Where significant risk exposure to financial risk remains the Governors has ensured there is adequate cover.

Connected Organisations, including Related Party Relationships

The Academy 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 schools in the Partnership work together for the benefit of all their students and the young people of Sutton and surrounding areas to work collectively on matters of shared interest and co-operate with the Local Authority (LA) and local primary schools, secondary schools and special schools. The Academy continues to purchase services from the LA under normal business arrangements.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Objectives and activities

Objects and Aims

The Academy's objective is set out in its Articles of Association and referred to on page 4. This is to establish, maintain, manage and develop a school offering a broad curriculum with an emphasis on, but in no way limited to, the Humanities. Overton Grange School converted to an Academy in June 2011 and occupies premises previously owned by the London Borough of Sutton.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn and that the curriculum should comply with the substance of the National Curriculum.

Objectives, Strategies and Activities

Our 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.

Our aims and objectives: In partnership with parents and the community, Overton Grange 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 secondary 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 level of attainment whatever their starting point.

Overton Grange 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 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 2013, our priorities were:

- Improve attainment and attendance for all groups and ensure all students make good progress in each key stage. To reduce within-school variation between subjects and focus on raising the achievements of vulnerable groups.
 - To improve the quality of teaching and learning through a continued focus on differentiation (especially SEN and MAGT), further development of Assessment for Learning, the more effective use of adults in the classroom, use of ICT and, through the Humanities specialism, curriculum enrichment in Key Stage 3.
 - Review school organisational needs in the light of academy status and continue to plan strategically and manage resources to ensure a substantial budget and the optimum use of school facilities, teaching and support staff.
 - Greater engagement with parents and the wider community of local partnerships and to work closely with other Sutton secondary, special and primary schools for mutual improvement.
 - Develop 'student voice', especially with reference to self-evaluation, and promote opportunities through the House system for students to enjoy success, exercise leadership and take greater responsibility for themselves and the school community.
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OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which everyone feels fully valued.

Disabled Persons

The Academy complies with the key requirements of DDA regulations and ensures that students with a disability have full access to school facilities. There is scope to make further improvements when funding becomes available.

Public Benefit

The Governors of the Academy Trust 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 schools 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.

Achievements and performance

The school has been for many years popular and oversubscribed with surveys of parents and students indicating a very high level of satisfaction. Since the 2009 Ofsted inspection report which described the school as Good 'with outstanding features' the school's examination performance has continued to improve, recognised by a monitoring letter from Ofsted in March 2011 which confirmed this improvement.

The summer 2013 examination performance showed that the school pupils collectively performed well above national averages. Highlights were as follows:

At Key Stage 5, the A Level pass rate at grades A* to B were the best ever at 56% with improvements at A* to C (79%) and an overall pass rate of (99%).

This compares with challenging targets of 45%; 75% and 100% respectively. AS Level results for Year 12 were (31%) and good at A-C grades (57%). A Level and AS Level results were significantly above the national average and for value added.

At Key Stage 4 there were excellent achievements across the ability range with over 23.3% of grades being A* or A; 92% of students gaining five or more GCSE grade c or above including equivalent qualifications and 59% of students gaining five or more GCSEs at C and above including English and Maths (the latter a pleasing achievement given the suppression of GCSE English results by the exam boards).

At Key Stage 3 the provisional analysis indicates that progress was above the national average for these students.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Achievements and performance *(continued)*

The School met the very challenging attendance target of 94% set by the governors achieving 94.1% in the year. Attendance levels and procedures have shown a consistent improvement in the last four years and are now, in Ofsted terms; "Good".

The egress of students is closely monitored and indicates a lower than local or national average number of NEET (Not in Education, employment or Training) students in Year 11 (1% compared to 4% locally). Of students leaving the 6th Form, 67% of Year 13 went into Higher Education. The remaining 33% went either to further education or employment. The breakdown is as follows:

Higher Education	67%
Apprenticeship	4%
Art Foundation	2%
Employment	7%
Gap Year then Higher Education	12%
Misc	8%

Going Concern

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

Key Financial Performance Indicators

These are as follows:

Number of students on roll (31 August)

2013	1,265
2012	1,283
2011	1,265
2010	1,293
2009	1,261

Staff turnover

	New staff	% of total staff
2013	12	6.81
2012	12	6.67
2011	11	6.11
2010	7	3.89

The school complies with all the terms and conditions of its Funding Agreement.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA), which is part of the Department for Education (DfE), in the form of recurrent grants. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives capital grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the relevant assets.

During the year ended 31 August 2013, excluding the restricted fixed asset funds, restricted income was £7,249,107 and related restricted expenditure was £7,286,627. Unrestricted income was £406,348 and unrestricted expenditure was £393,144.

At 31 August 2013 the net book value of fixed assets was £24,361,921 and the movements in fixed assets are shown in note 16. Net assets at 31 August 2013 were £22,863,950.

Financial and Risk Management Objectives and Policies

The Academy Trust 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 main Board 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 risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by the SLT.

Principal Risks and Uncertainties

The principal risks facing the Academy 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.
- Risks associated with personnel - mitigated by ensuring that the school has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Reserves Policy

At 31 August 2013 the total funds comprised restricted funds of £22,761,931, analysed into restricted fixed assets funds of £24,376,264, GAG of £292,667 and the pension reserve £1,907,000. Unrestricted reserves total £102,019.

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 Academy at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The deficit on the pension reserve relates to the non-teaching staff, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 20. This deficit can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits.

Investment Policy

During the year the Academy held all its liquid funds in an interest bearing account at a major UK clearing bank with an 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.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Plans for future periods

The Governing Body has approved a rolling three year School Development Plan (2012-15) which provides a framework of detailed and costed actions to meet the aims and objectives of the school. The Governing Body monitors the progress of the School Development Plan each term and the plan is updated annually in light of the changing educational policy landscape and the school's self-evaluation of its performance.

1. Improve attainment and attendance for all groups and ensure all students make good progress in each key stage with a focus on vulnerable groups, (LAC, EAL, PP), School Action Plus, More Able students.

a) To meet or improve on the School's Absence target (6%) and maximum Persistent Absentee target (7%; based on PA of <85% attendance).

b) To meet or exceed our attainment targets for **Key Stage 3**:

TARGETS FOR	2014	2015	2016
NUMBER OF STUDENTS IN YEAR 9:	210	210	210
Comparison with National average KS2 points on entry to Year 7	0.8	0.4	n/a
Current Year group (September 2013)	Y9	Y8	Y7
% PUPILS MAKING EXPECTED 2 levels of PROGRESS IN ENGLISH	54%	57%	n/a
% PUPILS MAKING EXPECTED 2 levels of PROGRESS IN MATHS	70%	75%	n/a

c) To meet or exceed our attainment targets for **Key Stage 4**:

TARGETS FOR KEY STAGE 4	2014	2015	2016
NUMBER OF STUDENTS IN YEAR 11:	210	210	210
Comparison with National average KS2 points on entry to Year 7	0.8	0.7	0.8
Current Year group (September 2013)	Y11	Y10	Y9
% PUPILS ACHIEVING 5+ A*-C GRADES	90%	90%	92%
% PUPILS ACHIEVING 5+ A*-C GRADES (ENGLISH & MATHS)	75%	74%	75%
% PUPILS ACHIEVING 5+ A*-C GRADES (ENGLISH, MATHS & SCIENCE)	72%	68%	74%
% PUPILS ACHIEVING AT LEAST 5 A*-G GRADES	100%	100%	100%
% PUPILS ACHIEVING AT LEAST 1 A*-G GRADES	100%	100%	100%
% PUPILS ACHIEVING 5+ A* or A GRADES	28%	25%	30%
% PUPILS MAKING EXPECTED 3 levels of PROGRESS IN ENGLISH	85%	81%	85%
% PUPILS MAKING 4 OR MORE levels of PROGRESS IN ENGLISH	51%	45%	50%
% PUPILS MAKING EXPECTED 3 levels of PROGRESS IN MATHS	78%	76%	78%
% PUPILS MAKING 4 OR MORE levels of PROGRESS IN MATHS	43%	40%	42%
AVERAGE POINTS SCORE PER STUDENT (uncapped)	505	500	520
AVERAGE POINTS SCORE PER STUDENT (capped)	362	362	370
AVERAGE POINTS SCORE PER STUDENT (capped) BEST 8 MEASURE	320	320	320

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Plans for future periods *(continued)*

d) Other qualitative Key Stage 4 targets for 2014 - 2016.

i. No Sig- (blue) reports in RAISEonline for subjects or groups of students 2014-16

ii. Value Added over 1000 for the next three years.

iii. More than 50% of subjects to be Sig+ (2014); 60% (2015-16)

iv. Pupil Premium students to achieve better than national average for their group in 2014 and 2015 and at average for school in 2016 for (5+A*-C including English and Maths; 5+Level 2 qualifications, GCSE and equivalents).

v. Zero NEET students at the end of Year 11.

e) To meet or exceed attainment targets for **Key Stage 5:**

TARGETS FOR LEVEL 2	2014	
Current Year group (September 2013)	Y12	
% Grades Distinction	n/a	
% Grades Distinction - Merit	n/a	
% Grades Distinction - Pass	100	
TARGETS FOR LEVEL 3	2014	2015
Current Year group (September 2013)	Y12	
% AS Grades A - B	40	n/a
% AS Grades A - C	64	n/a
% AS Grades A - E	94	n/a
ALPS Grade AS	Red	Red
Current Year group (September 2013)	Y13	
% A2 Grades A* - B	50	
% A2 Grades A* - C	75	
% A2 Grades A* - E	100	

f) Other qualitative Key Stage 5 targets for 2014 - 2016.

i. No ALPS (blue) reports for subjects 2014-16; no Sig- grades in PANDA.

ii. Positive Value added for AS, A2 and BTEC qualifications.

iii. Bursary students to achieve at average for school in 2014-6

iv. Retention Rates to remain above national averages overall KS5 and between Years 12 into 13.

v. Attendance to match school averages (Target 94%).

vi. Zero NEET students at the end of Year 12 and Year 13 (2014-16).

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Plans for future periods *(continued)*

2. To improve the quality of teaching and learning through a continued focus on differentiation by:
 - i. actively using relevant student data (especially Pupil Premium, SEN and MAGT);
 - ii. further development of Assessment for Learning;
 - iii. the more effective use of adults in the classroom;
 - iv. the use of ICT;
 - v. improved speaking and listening and questioning techniques in the classroom
 - vi. the more effective and consistent use of homework to extend learning and promote independent learning;
 - vii. regular and meaningful marking of home and classwork;
 - viii. Key Stage 3 curriculum enrichment (Maths, RE, D&T);
 - ix. the use of personalised learning checklists in AS courses 2013-14.

3. Strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff.

Funds Held as Custodian trustee on Behalf of Others

There are no assets subject to custodian arrangements.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Responsibilities of the Governors

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

Company law requires the 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the EFA/DfE have been applied for the purposes intended.

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

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Year ended 31 August 2013

Independent auditor

In so far as the Governors are aware:

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

14/12/13

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

B.P. Morley

Brenda Morley MBE
Chair

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

Year ended 31 August 2013

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 Governing Body has delegated the day-to-day responsibility to the Principal, 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 Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<i>Governor</i>	Meetings attended	Out of a possible
Brenda Morley MBE(Chairman)	3	3
Geoffrey Bailey	3	3
Peter Butterworth	3	3
Carole Cook	3	3
Julia Gault	2	3
Steven Gilmore	3	3
Andrew Green	2	3
Richard Hall	3	3
Helena Jordan	3	3
Paul Lincoln OBE	3	3
Nicola Lynch	1	3
Patricia Roberts	2	3
Jane Weller	2	3
Susannah Wheeler	3	3
Marion Williams	2	3
Peter Wood	2	3

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

Year ended 31 August 2013

Governance *(continued)*

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to ensure that the Academy's finances and resources are managed responsibly, paying particular attention to planning, monitoring and financial probity. This Committee contributes to the formulation of the School Development Plan through consideration of financial proposals and priorities within the stated and agreed aims and objectives of the Academy. The main agenda items during the year included monitoring and evaluation of the revenue income and expenditure, consideration and approval of spending proposals from other Committees, review of contracts, consideration of Responsible Officer reports and endorsement of policy and process.

Attendance at meetings in the year was as follows:

<i>Governor</i>	Meetings attended	Out of a possible
Brenda Morley MBE(Chairman)	4	5
Geoffrey Bailey	4	5
Peter Butterworth (Headteacher)	5	5
Carole Cook	4	5
Helena Jordan*	2	3
Paul Lincoln OBE	3	5
Patricia Roberts	3	5
Marion Williams	4	5
Peter Wood*	2	3

*Helena Jordan and Peter Wood became members of the Resources Committee when the Finance and Premises Committees were merged on 6 December 2012.

The Purpose of the System of Internal Control

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

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

Year ended 31 August 2013

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Julia Gault, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governors consider that the RO function has been delivered in line with the EFA's requirements. There were no material control issues discovered during the cycle of work for the year ended 31 August 2013.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

Year ended 31 August 2013

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the 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 Governing Body on

and signed on its behalf by:



Brenda Morley MBE
Chair



Peter Butterworth
Accounting officer

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Year ended 31 August 2013

Statement on Regularity, Propriety and Compliance

As accounting officer of Overton Grange School I have considered my responsibility to notify the academy trust's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's Governing Body 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Peter Butterworth
Accounting Officer

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERTON GRANGE SCHOOL

Year ended 31 August 2013

We have audited the financial statements of Overton Grange School for the year ended 31 August 2013 on pages 26 to 52. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and

As explained more fully in the Responsibilities of the Governors (set out on page 15), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OVERTON GRANGE SCHOOL *(continued)*

Year ended 31 August 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

R SHAUNAK FCA (Senior Statutory
Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

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OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

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

Year ended 31 August 2013

In accordance with the terms of our engagement letter dated 22 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Overton Grange School during the period year ended 31 August 2013 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Overton Grange School and the EFA, 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 auditor

The accounting officer is responsible, under the requirements of Overton Grange School's funding agreement with the Secretary of State for Education dated 22 March 2012 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period year ended 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

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

Year ended 31 August 2013

Approach (continued)

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
- Making appropriate enquiries of the Accounting Officer

Conclusion

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

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

MHA MACINTYRE HUDSON
Statutory Auditor and Chartered Accountants

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VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

Year ended 31 August 2013

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 13 £	Total Funds Period from 9 May 11 to 31 Aug 12 £
Incoming resources						
Incoming resources from generating funds:						
Voluntary income	1	57,049	–	25,381	82,430	25,191,000
Activities for generating funds	2	335,980	–	–	335,980	367,133
Investment income	3	13,319	–	–	13,319	10,714
Income from charitable trading activities:						
Funding for academy's educational operations	4	–	7,249,107	–	7,249,107	8,900,348
Total incoming resources		406,348	7,249,107	25,381	7,680,836	34,469,195
Resources expended						
Costs of generating funds:						
Fundraising trading	5	308,713	–	–	308,713	280,883
Charitable activities						
Charitable expenditure:	8	84,431	7,270,331	375,188	7,729,950	9,179,985
Governance costs	9	–	16,296	–	16,296	14,254
Other resources expended	10	–	–	–	–	1,496,000
Total resources expended		393,144	7,286,627	375,188	8,054,959	10,971,122
Net (outgoing)/incoming resources before transfers	11	13,204	(37,520)	(349,807)	(374,123)	23,498,073
Gross transfers between funds	12	–	20,328	(20,328)	–	–
Net (expenditure)/income for the year		13,204	(17,192)	(370,135)	(374,123)	23,498,073
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		–	(28,000)	–	(28,000)	(232,000)
Net movement in funds		13,204	(45,192)	(370,135)	(402,123)	23,266,073
Reconciliation of funds						
Total funds brought forward at 1 September 2012		88,815	(1,569,141)	24,746,399	23,266,073	–
Total funds carried forward at 31 August 2013		102,019	(1,614,333)	24,376,264	22,863,950	23,266,073

The accounting policies and notes on pages 31 to 52 form part of these financial statements.

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE
ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) *(continued)***

Year ended 31 August 2013

All of the academy trust's activities derive from continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accounting policies and notes on pages 31 to 52 form part of these financial statements.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 August 2013

	Note	2013 £	£	2012 £
Fixed assets				
Tangible assets	16		24,361,921	24,704,838
Current assets				
Stocks	17	10,753		10,835
Debtors	18	58,299		99,667
Cash at bank and in hand		814,136		533,659
		883,188		644,161
Creditors: amounts falling due within one year	19	(474,159)		(275,926)
Net current assets			409,029	368,235
Total assets less current liabilities			24,770,950	25,073,073
Net assets excluding pension liability			24,770,950	25,073,073
Defined benefit pension scheme liability	20		(1,907,000)	(1,807,000)
Net assets including pension liability			22,863,950	23,266,073
Funds of the academy trust:	21			
Restricted income funds:				
Fixed asset fund		24,376,264		24,746,399
General funds		292,667		237,859
Pension reserve	20	(1,907,000)		(1,807,000)
Total restricted income funds			22,761,931	23,177,258
Unrestricted income funds:				
General fund			102,019	88,815
Total funds			22,863,950	23,266,073

The Balance sheet continues on the following page.

The accounting policies and notes on pages 31 to 52 form part of these financial statements.

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

31 August 2013

These financial statements were approved by the Governors, and authorised for issue on 4/12/13 and are signed on their behalf by:

B. P. Morley

Brenda Morley MBE
Chair

P. Butterworth

Peter Butterworth
Headteacher

Company Registration Number: 07627110

The accounting policies and notes on pages 31 to 52 form part of these financial statements.

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

Year ended 31 August 2013

	Note	Year to 31 Aug 13 £	£	Period from 9 May 11 to 31 Aug 12 £
Net cash inflow from operating activities	26		294,018	501,347
Returns on investments and servicing of finance	27			
Interest received		<u>13,319</u>		<u>10,714</u>
Net cash inflow from returns on investments and servicing of finance			13,319	10,714
Capital expenditure	28		(26,860)	21,598
Increase in cash in the year			<u>280,477</u>	<u>533,659</u>
Reconciliation of net cash flow to movement in net funds				
			2013	2012
			£	£
Net funds at 1 September 2012			533,659	-
Increase in cash in the year			280,477	533,659
Net funds at 31 August 2013			<u>814,136</u>	<u>533,659</u>

All of the cash flows are derived from acquisitions in the current financial period.

The accounting policies and notes on pages 31 to 52 form part of these financial statements.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES

Year ended 31 August 2013

Basis of accounting

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

Incoming resources

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

Grants receivable

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

Donations

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

Other income

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

Donated Services and Gifts in Kind

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

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Year ended 31 August 2013

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds

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

Charitable activities

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

Governance costs

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Year ended 31 August 2013

Fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Assets transferred at inception have been included at the estimated depreciated replacement cost valuation.

Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

Impairment losses are recognised in the Statement of Financial Activities.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	2% straight line
Equipment	-	10% - 33% straight line
Motor vehicles	-	20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Year ended 31 August 2013

Pension costs

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 one year from the date of approval of the financial statements.

Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Year ended 31 August 2013

Conversion to academy trust in the period ended 31 August 2012

In the period ended 31 August 2012, the conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Overton Grange School to the Academy Trust have been valued at their fair value, except for land and buildings which are valued at their estimated depreciated replacement cost, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. These are in accordance with the accounting policies set out for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income and net expenditure in the Statement of Financial Activities as appropriate and analysed under restricted general funds and restricted fixed asset funds.

The following assets and liabilities were transferred from Sutton Local Education Authority to the school on incorporation and are included in the comparative figures in these financial statements:

Assets

Land	£6,812,213
Buildings	£18,190,435
Office equipment	£15,210
Motor vehicles	£19,522

Liabilities

Pension liability	£1,496,000
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OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

1. Voluntary income

	Unrestricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Donations	57,049	–	57,049	42,330
Capital grants	–	25,381	25,381	80,856
Transfer from Local Authority on conversion	–	–	–	25,067,814
	<u>57,049</u>	<u>25,381</u>	<u>82,430</u>	<u>25,191,000</u>

2. Incoming resources from activities for generating funds

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Rental income	64,470	64,470	70,964
Catering	180,194	180,194	213,746
Other income	91,316	91,316	82,423
	<u>335,980</u>	<u>335,980</u>	<u>367,133</u>

Catering services were outsourced from June 2013.

3. Investment income

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Bank interest receivable	13,319	13,319	10,714

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

4. Funding for academy's educational operations

	Restricted Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
DfE/EFA grants			
General Annual Grant (GAG)	6,526,318	6,526,318	8,246,201
Other government grants	148,662	148,662	181,924
Pupil Premium	164,816	164,816	75,946
SEN allocation	209,583	209,583	317,276
	<u>7,049,379</u>	<u>7,049,379</u>	<u>8,821,347</u>
Other income			
Trip income	187,390	187,390	63,122
Exam fee income	12,338	12,338	15,879
	<u>199,728</u>	<u>199,728</u>	<u>79,001</u>
	<u>7,249,107</u>	<u>7,249,107</u>	<u>8,900,348</u>

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded those limits in the year ended 31 August 2013.

5. Fundraising trading: Cost of goods sold and other costs

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
School shop	47,260	47,260	43,923
Catering	261,453	261,453	236,960
	<u>308,713</u>	<u>308,713</u>	<u>280,883</u>

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

6. Costs of charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Academy's educational operations	–	5,405,599	–	5,405,599	6,625,868
Allocated support costs	84,431	1,100,327	375,188	1,559,946	1,894,621
Other costs	–	764,405	–	764,405	659,496
	<u>84,431</u>	<u>7,270,331</u>	<u>375,188</u>	<u>7,729,950</u>	<u>9,179,985</u>

7. Resources expended

	Staff costs £	Premises £	Other costs £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Costs of activities for generating funds:					
School shop	–	–	47,260	47,260	43,923
Catering	144,315	–	117,138	261,453	236,960
	<u>144,315</u>	–	<u>164,398</u>	<u>308,713</u>	<u>280,883</u>
Academy's educational operations:					
Direct costs	5,430,759	–	552,806	5,983,565	7,178,311
Support costs	595,328	582,460	568,596	1,746,384	2,001,674
	<u>6,026,087</u>	<u>582,460</u>	<u>1,121,402</u>	<u>7,729,949</u>	<u>9,179,985</u>
Governance costs including allocated support costs	6,000	–	10,297	16,297	14,254
Other resources expended	–	–	–	–	1,496,000
	<u>6,176,402</u>	<u>582,460</u>	<u>1,296,097</u>	<u>8,054,959</u>	<u>10,971,122</u>

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

8. Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
<i>Direct costs</i>					
Teachers' wages and salaries	–	5,430,759	–	5,430,759	6,653,652
Educational consumables	–	81,343	–	81,343	158,592
Examination expenses	–	136,427	–	136,427	143,406
Staff development	–	63,799	–	63,799	73,128
Educational consultancy and buyback	–	78,765	–	78,765	78,364
School trip expenditure	–	177,779	–	177,779	65,849
Other direct costs	–	14,693	–	14,693	5,320
	–	<u>5,983,565</u>	–	<u>5,983,565</u>	<u>7,178,311</u>
<i>Allocated support costs</i>					
Support staff costs	44,650	550,678	–	595,328	723,056
Repairs and maintenance	10,324	179,402	–	189,726	286,559
Cleaning contract	7,985	98,478	–	106,463	118,252
Rates and water	4,756	58,655	–	63,411	78,659
Light and heat	8,949	110,367	–	119,316	115,967
Legal and professional services	–	104,785	–	104,785	75,513
Insurance	7,767	95,775	–	103,542	144,124
Other support costs	–	68,656	–	68,656	67,744
Depreciation	–	19,970	375,188	395,158	391,800
	<u>84,431</u>	<u>1,286,766</u>	<u>375,188</u>	<u>1,746,385</u>	<u>2,001,674</u>
	<u>84,431</u>	<u>7,270,331</u>	<u>375,188</u>	<u>7,729,950</u>	<u>9,179,985</u>

9. Governance costs

	Restricted Funds £	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Staff costs	6,000	6,000	5,889
Audit fees	8,000	8,000	7,753
Legal and professional fees	2,296	2,296	612
	<u>16,296</u>	<u>16,296</u>	<u>14,254</u>

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

10. Other resources expended

	Total Funds 2013 £	Total Funds 16 month period to 31 August 2012 £
Transfer of LGPS liability from Local Authority on conversion	—	1,496,000

11. Net (outgoing)/incoming resources for the year

This is stated after charging:

	2013 £	2012 £
Fees payable to auditor		
Audit	8,002	7,753
Other services	725	1,000
Depreciation	<u>395,158</u>	<u>391,800</u>

12. Fund transfers

The fund transfer represents a reallocation of capital grant money.

13. Staff costs and emoluments

	2013 £	2012 £
Wages and salaries	4,933,419	6,031,776
Social security costs	361,689	554,573
Other pension costs	<u>735,540</u>	<u>920,348</u>
	6,030,648	7,506,697
Supply teacher costs	<u>145,754</u>	<u>106,971</u>
	<u>6,176,402</u>	<u>7,613,668</u>

The 2012 figures above relate to a 16 month period.

Particulars of employees:

	2013	2012
The average number of employees during the year,		
Teachers	121	121
Administration and support	55	56
	<u>176</u>	<u>177</u>

The number of employees, whose remuneration for the year was over £60,000, were:

	2013	2012
£60,000 to £69,999	2	2
£80,000 to £89,999	1	1
	<u>3</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these employees amounted to £12,015 (£11,460).

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

14. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governor's remuneration in the year ended 31 August 2013 was as follows (comparative figures have been annualised):

	2013 £	2012 £
Principal	86,066	83,215
Steven Gilmore (staff governor)	30,693	26,664
Jane Weller (staff governor)	49,941	47,078
Peter Wood (staff governor)	45,638	44,232

Travel costs of £18 (2012: £10) were paid to governors for the year ended 31 August 2013.

15. Governors' and officers' insurance

The Academy maintains Governors' and Officers Insurance in respect of certain individuals.

16. Tangible fixed assets

	Long leasehold property £	Equipment £	Motor Vehicles £	Total £
Cost				
At 1 September 2012	25,002,648	74,468	19,522	25,096,638
Additions	–	52,241	–	52,241
At 31 August 2013	<u>25,002,648</u>	<u>126,709</u>	<u>19,522</u>	<u>25,148,879</u>
Depreciation				
At 1 September 2012	363,809	20,023	7,968	391,800
Charge for the year	363,809	27,445	3,904	395,158
At 31 August 2013	<u>727,618</u>	<u>47,468</u>	<u>11,872</u>	<u>786,958</u>
Net book value				
At 31 August 2013	<u>24,275,030</u>	<u>79,241</u>	<u>7,650</u>	<u>24,361,921</u>
At 31 August 2012	<u>24,638,839</u>	<u>54,445</u>	<u>11,554</u>	<u>24,704,838</u>

17. Stocks

	2013 £	2012 £
Consumables	<u>10,753</u>	<u>10,835</u>

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

18. Debtors

	2013	2012
	£	£
Trade debtors	10,521	4,305
VAT recoverable	14,712	13,932
Prepayments and accrued income	33,066	81,430
	<u>58,299</u>	<u>99,667</u>

19. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	117,658	30,653
Taxation and social security	109,436	-
Accruals and deferred income	247,065	245,273
	<u>474,159</u>	<u>275,926</u>

Deferred income

	2012
	£
Resources deferred in the year	92,387
Amounts released from previous years	-
Deferred income at 31 August 2013	<u>92,387</u>

The above amount relates to money received in advance in respect of educational trips held after 31 August 2013.

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

No amounts were outstanding or prepaid in respect of pension contributions at 31 August 2013.

The Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. 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.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme *(continued)*

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton 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.

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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution for the year was £252,000. The agreed contribution rates for future years are 25.5 per cent for employers where staff are included on the Scheme. The actuarial gains and losses in the current year are recognised in the Statement of Financial Activities. The cumulative actuarial losses to date are £260,000 (2012: £232,000).

The contribution rate for employees is determined by reference to their full time equivalent pay as follows:

Band	Whole time pay rate	Contribution rate
1	£0 to £13,700	5.5%
2	£13,701 to £16,100	5.8%
3	£16,101 to £20,800	5.9%
4	£20,801 to £34,700	6.5%
5	£34,701 to £46,500	6.8%
6	£46,501 to £87,100	7.2%
7	More than £87,100	7.5%

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

	At 31 Aug 2013	At 31 Aug 2012
	%	%
Discount rate	4.6	4.1
Expected return on scheme assets	5.6	4.7
Rate of increase in salaries	5.1	4.5
Rate of increase in pensions payment	2.8	2.2

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

	At 31 August 2013	At 31 August 2012
Retiring today		
Males	21.0	19.8
Females	23.8	23.9
Retiring in 20 years		
Males	22.9	21.9
Females	25.7	25.8

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations *(continued)*

Sensitivity analysis is as follows:

Assumption	Increase in Employer Liability	Monetary amount
0.5% decrease in real discount rate	12%	£413,000
1 year increase in member life expectancy	3%	£105,000
0.5% increase in salary increase rate	5%	£189,000
0.5% increase in the pension increase rate	6%	£214,000

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 Aug 2013 %	Fair value at 31 Aug 2013 £	Expected return at 31 Aug 2012 %	Fair value at 31 Aug 2012 £
Equities	6.6	937,000	5.5	726,000
Bonds	4.0	508,000	3.3	273,000
Property	4.7	142,000	3.7	137,000
Total market value of assets		1,587,000		1,136,000
Present value of scheme liabilities - funded		(3,494,000)		(2,943,000)
Deficit in the scheme		<u>(1,907,000)</u>		<u>(1,807,000)</u>

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period. The actual return on scheme assets was £132,000 (2012: £34,000).

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

	2013 £	2012 £
Current service cost (net of employee contributions)	257,000	275,000
Total operating charge	257,000	275,000

Analysis of pension finance income/ (costs)

	2013 £	2012 £
Expected return on pension scheme assets	61,000	75,000
Interest on pension liabilities	(128,000)	(161,000)
Pension finance income/(costs)	(67,000)	(86,000)

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

	2013 £	2012 £
On conversion	-	2,235,000
At 1 September 2012	2,943,000	-
Current service cost	257,000	275,000
Interest on pension liabilities	128,000	161,000
Employee contributions	67,000	81,000
Actuarial loss	99,000	191,000
At 31 August 2013	3,494,000	2,943,000

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

	2013 £	2012 £
On conversion	-	739,000
At 1 September 2012	1,136,000	-
Employee contributions	67,000	81,000
Expected return on pension scheme assets	61,000	75,000
Employer contributions	252,000	282,000
Actuarial gain/(loss)	71,000	(41,000)
At 31 August 2013	1,587,000	1,136,000

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

20. Pensions and similar obligations (continued)

Reconciliation of opening and closing deficit:

	2013	2012
	£	£
Pension scheme liability transferred	–	(1,496,000)
At 1 September 2012	(1,807,000)	–
Current service cost (net of employer contributions)	(5,000)	7,000
Other finance costs	(67,000)	(86,000)
Actuarial loss	(28,000)	(232,000)
Deficit at 31 August 2013	<u>(1,907,000)</u>	<u>(1,807,000)</u>

The five year history of experience adjustments is as follows:

	2013	2012
	£	£
Gains/(losses) on scheme liabilities	–	–
Gains/(losses) on scheme assets	71,000	(41,000)
	<u>71,000</u>	<u>(41,000)</u>

The estimated value of employer's contributions for the year ended 31 August 2014 is £265,000.

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

21. Funds

	Balance at 1 Sep 2012 £	Incoming resources £	Resources expended £	Gains and losses/ transfers £	Balance at 31 Aug 2013
Restricted general funds					
General annual grant (GAG)	237,859	6,526,318	(6,491,838)	20,328	292,667
Other grants	-	148,662	(148,662)	-	-
Other income	-	574,127	(574,127)	-	-
Defined benefit pension scheme	(1,807,000)	-	(72,000)	(28,000)	(1,907,000)
	<u>(1,569,141)</u>	<u>7,249,107</u>	<u>(7,286,627)</u>	<u>(7,672)</u>	<u>(1,614,333)</u>
Restricted fixed asset funds					
Capital expenditure from GAG	24,746,399	25,381	(375,188)	(20,328)	24,376,264
	<u>24,746,399</u>	<u>25,381</u>	<u>(375,188)</u>	<u>-</u>	<u>24,376,264</u>
Total restricted funds	<u>23,177,258</u>	<u>7,274,488</u>	<u>(7,661,815)</u>	<u>(28,000)</u>	<u>22,761,931</u>
Unrestricted funds					
General unrestricted funds	88,815	406,348	(393,144)	-	102,019
Total unrestricted funds	<u>88,815</u>	<u>406,348</u>	<u>(393,144)</u>	<u>-</u>	<u>102,019</u>
Total funds	<u>23,266,073</u>	<u>7,680,836</u>	<u>(8,054,959)</u>	<u>(28,000)</u>	<u>22,863,950</u>

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

Restricted Fixed Asset Fund - the land and buildings element relates to the asset transferred from Sutton LEA and which is being released in line with the depreciation charged on land and buildings. The EFA capital grant relates to monies to be spent on forthcoming capital projects at which time the grant will be released in line with depreciation on those assets so purchased.

Restricted general funds will be used for educational purposes in line with the Academy's objects and its funding agreement with the EFA.

Restricted funds in respect of the defined benefit relate to the movement on the Local Government Pension Scheme liability.

Unrestricted funds relate to donations and other income given without restriction to its purpose and can be used for the general purposes of the academy trust.

**OVERTON GRANGE SCHOOL
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

22. Restricted income funds

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources and transfers £	Gains and losses/ transfers £	Balance at 31 Aug 2013 £
General annual grant (GAG)	237,859	7,249,107	(7,214,627)	20,328	292,667
Defined benefit pension scheme	<u>(1,807,000)</u>	–	<u>(72,000)</u>	<u>(28,000)</u>	<u>(1,907,000)</u>
	<u><u>(1,569,141)</u></u>	<u><u>7,249,107</u></u>	<u><u>(7,286,627)</u></u>	<u><u>(7,672)</u></u>	<u><u>(1,614,333)</u></u>

VERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

23. Analysis of net assets between funds

Fund balances at 31 Aug 2013 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	–	–	24,361,921	24,361,921
Current assets	102,019	292,667	14,343	409,029
Pension scheme liability	–	(1,907,000)	–	(1,907,000)
	<u>102,019</u>	<u>(1,614,333)</u>	<u>24,376,264</u>	<u>22,863,950</u>

24. Ultimate controlling party

There is no ultimate controlling party.

25. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

26. Reconciliation of net (outgoing)/incoming resources before transfers to net cash inflow from operating activities

	2013 £	2012 £
Net incoming resources before transfers	(374,123)	23,498,073
Depreciation	395,158	391,800
Capital grants from DfE and other capital income	(25,381)	(80,856)
Fixed assets transferred from local authority on conversion	–	(25,037,380)
Pension transferred from local authority on conversion	–	1,496,000
Interest receivable	(13,319)	(10,714)
FRS 17 Pension cost less contributions payable	72,000	79,000
Decrease/(increase) in stocks	82	(10,835)
Decrease/(increase) in debtors	41,368	(85,735)
Increase in creditors	198,233	261,994
Net cash inflow from operating activities	<u>294,018</u>	<u>501,347</u>

27. Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	<u>13,319</u>	<u>10,714</u>

OVERTON GRANGE SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2013

28. Capital expenditure

	2013	2012
	£	£
Purchase of tangible fixed assets	(52,241)	(59,258)
Capital grants from DfE/EFA	25,381	80,856
Net cash outflow from capital expenditure and financial investment	<u>26,860</u>	<u>21,598</u>

29. Analysis of changes in net funds

	1 Sep 2012	Cash flows	31 Aug 13
	£	£	£
Cash in hand and at bank	533,659	280,477	814,136

30. 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 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 cease to be a member.