

Registered number: 07627110

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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<b>Trustees</b>	Brenda Morley MBE, Chair Geoffrey Bailey (resigned 31 October 2013) Helen Binnie (appointed 18 October 2013) Peter Butterworth, Head Teacher and Accounting Officer Carole Cook Julia Gault Stephen Gillmore, Staff Governor Andrew Green Helena Jordan Richard Hall Paul Lincoln OBE (resigned 8 October 2013) Nicola Lynch (resigned 25 March 2014) Patricia Roberts (to 19 July 2014) Kirsty MacLean, Staff Governor (appointed 10 February 2014) David Nicholls (appointed 19 November 2013) Jane Weller, Staff Governor Susannah Wheeler Marion Williams Peter Wood, Staff Governor (resigned 9 February 2014)
<b>Company registered number</b>	07627110
<b>Principal and registered office</b>	36 Stanley Road Sutton Surrey SM23 6TQ
<b>Company secretary</b>	Janet Barnett
<b>Chief executive officer</b>	Brenda Morley MBE
<b>Senior management team</b>	Peter Butterworth, Headteacher Gerald Bennett, Deputy Headteacher Keith Stride, Deputy Headteacher David Eccles, Assistant Headteacher Tarah Stevenson, Assistant Headteacher Carole Hilton-Grange, Assistant Headteacher Janet Barnett, School Business Manager Seonaid Ryan, Special Educational Needs Co-ordinator
<b>Independent auditor</b>	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Administrative details (continued)**

<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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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2014

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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 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in South Sutton. It has a pupil capacity of 1,330 and had a roll of 1,236 as at 31<sup>st</sup> August 2014.

#### **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 trustees of Overton Grange School 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 trustees who served during the year are included in the Reference and Administrative Details on page 3.

##### 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.

##### Trustees' Indemnities

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

##### Method of Recruitment and Appointment or Election of Trustees

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 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 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<sup>st</sup> August 2014 and who served during the year are listed on page 1.

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## OVERTON GRANGE SCHOOL

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### 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.

#### 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, 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. A Governor is appointed to the role of Responsible Officer.

During the year in question, the full Governing Body met on 4 occasions.

The Principal is the school's accounting officer. 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.

#### 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 school in the Partnership work together for the benefit of all their students and the young people of Sutton and surrounding areas. They work collectively on matters of shared interest and co-operate with the Local Authority (LA) and local primary schools, secondary school and special schools. The Academy purchases services from the LA where these represent best value for the school.

### **Objectives and Activities**

#### Objects and Aims

The Academy's objective is set out in its Articles of Association. 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.

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## OVERTON GRANGE SCHOOL

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### Objectives, Strategies and Activities

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.

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 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 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 2014, our priorities were:

- To improve attainment and attendance for all groups and ensure all students make good progress in each key stage with a focus on vulnerable groups, those on School Action Plus, More Able students.
- To improve the quality of teaching and learning through a continued focus on differentiation by: actively using relevant student data (especially Pupil Premium, SEN and MAGT); further development of Assessment for Learning; the more effective use of adults in the classroom; the use of ICT; improved speaking and listening and questioning techniques in the classroom the more effective and consistent use of homework to extend learning and promote independent learning ;regular and meaningful marking of home and classwork; Key Stage 3 curriculum enrichment (Maths, RE, D&T); the use of personalised learning checklists in AS courses 2013-14.
- Strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff.

#### 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 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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## VERTON GRANGE SCHOOL

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### STRATEGIC REPORT

##### Achievements and Performance

The school received an Ofsted Inspection in December 2013 which reported a wide range of strengths including parental satisfaction, teaching, student behaviour and safety, safeguarding, the sixth form, the quality of relationships in the school, pastoral care and guidance and extra-curricular provision. Some aspects of the school's 2013 results were of concern to Ofsted (the performance of boys in some subjects and the gap between Pupil Premium and non-Pupils Premium students) and this resulted in lower than expected grades in two areas.

In the Ofsted Report Leadership and Management of the school was graded Good (2) and Behaviour and Safety of Pupils, also Good (2). Achievement of Pupils and Quality of Teaching were graded as 'Requiring Improvement' (3) and therefore the school, overall, was Grade 3. Following the Inspection, the Governors and Senior Leadership Team devised and fully implemented a 'Post-Ofsted Action Plan' to address the 'Areas For Improvement' noted by the Ofsted Inspectors.

The 2014 examination results marked a return to very strong exam results of previous years (in 2014 the school once again performed well above national averages at GCSE, especially maths and English; there was good value added and pride in the destinations of students leaving Years 11 and 13. Our AL and AS results were best ever in each category last 2 years with just over 70% of students going to university and all others either to Further Education, Employment or training.

Parent surveys show very high levels of satisfaction with the education and wider provision of the school, these were supported by the parental responses to Ofsted's ParentView website.

In 2013-4 the school met the very challenging pupil attendance targets set by the governing body with 94.1% attendance (target 94%) and for Persistent Absence (ie less than 85% attendance) the figure was 6.8% (target 7%).

##### Key Performance Indicators

These are as follows:

Number of students on roll (31August)

2014	1236
2013	1265
2012	1283
2011	1265
2010	1293
2009	1261

Staff turnover

	New staff	% of total staff
2014	20	13.1
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.



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## OVERTON GRANGE SCHOOL

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### Going Concern

In common with other Government Funded Academies, the trustees expect to see a decline in funding over the next 3 years. To ensure the school's operation as a going concern, the trustees have taken the following actions:

- Investigated additional sources for increasing income, including an increase in student numbers.
- Reduced costs and carried out value for money reviews on all contracts and services.
- Reviewed staffing levels to ensure that they are appropriate for the needs of the school.

On this basis, the board of trustees 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.

#### **Financial Review**

##### Funding

90% (2013: 87%) of the Academy's income for the year ended 31<sup>st</sup> August 2014 was generated through delegated funding from the Education Funding Agency (EFA), which is part of the Department for Education (DfE) and the remaining 10% (2012:13%) from other sources.

##### Expenditure

Staff costs continue to represent the largest category of expenditure for the school at 83% of GAG (2013: 80%). 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 the school has experienced a reduction in its overall delegated funding for 2014/15 and this has placed the school in a very challenging financial position from September 2014. This has been made more acute as subsequent to the budget setting process, there has been a 1% pay award to teachers which will need to be funded through reserves.

To ensure the school's going concern, the school has explored additional sources of funding. Demographic analysis has indicated the need for additional secondary school places within the Borough and the Academy has been approached by the local authority to carry out a feasibility study on the school's capacity to accommodate an additional form of entry from September 2016.

##### Reserves Policy

As at 31<sup>st</sup> August 2014, the total funds comprised restricted funds of £21,710,999 analysed into restricted fixed asset funds of £24,021,607, GAG of £181,381 and the pension reserve of £2,475,000. Unrestricted reserves total £78,408.

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.

The deficit on the pension reserve relates to the support staff, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 25. The 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.

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## OVERTON GRANGE SCHOOL

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### Investment Policy

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

#### **Principal Risks and Uncertainties**

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

#### **Plans for Future Periods**

The Governing Body has approved a three year School Development Plan (SDP) for 2014-17 which provides a framework of detailed actions and costs to meet the aims and objectives of the school. As in the past this SDP will be monitored on a termly basis by the Full Governing Body and will, where necessary, be updated in response to changes in government policy and the financial climate in which the school operates.

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## **OVERTON GRANGE SCHOOL**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014**

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#### **Plans for Future Periods (continued)**

The key strategic priorities for development for 2014-2017 are as follows:

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), Year 7 'Catch-Up', 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, 4 and 5 as approved by governors.
2. To improve the quality of teaching and learning in all key stages through a continued focus on differentiation by:
  - a) Developing teacher-student dialogue through effective marking and feedback
  - b) Developing differentiation through effective use of student information
  - c) Developing active learning through effective dialogue in the classroom
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 monitor national and local changes to Special Educational Needs, ensuring that the implications of these are clear to governors, all staff, parents and the SEN students themselves, and plan their implementation in detail.
5. Strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff.
6. To prepare for an inspection by Ofsted.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

There are no assets subject to custodian arrangements.

**Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;  
and
- the trustees 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on [date] and signed on the board's behalf by:

*B. P. Morley*

**Brenda Morley MBE**

**Chair of Governors**

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## OVERTON GRANGE SCHOOL

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### GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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#### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Overton Grange School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The board of trustees 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

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

Name	Attended	Out of a possible
Geoffrey Bailey (to 31.10.13)	0	0
Helen Binnie (from 18.10.13)	3	4
Peter Butterworth (Headteacher)	4	4
Carole Cook	4	4
Julia Gault	4	4
Stephen Gillmore	4	4
Andrew Green	3	4
Richard Hall	4	4
Helena Jordan	3	4
Paul Lincoln (to 08.10.13)	0	0
Nicola Lynch (to 25.03.14)	2	2
Kirsty MacLean (from 10.02.14)	2	2
Brenda Morley (Chair)	4	4
David Nicholls (from 19.11.13)	4	4
Patricia Roberts (to 19.07.14)	0	4
Jane Weller	4	4
Susannah Wheeler	3	4
Marion Williams	4	4
Peter Wood (to 09.02.14)	0	2

#### Governance reviews:

The trust has not carried out a governance review to date but will review governance as appropriate.

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Resources Committee has formally met 4 times during the year to oversee the financial management of the school. Attendance during the year at meetings of the board of trustees was as follows:

<b>Name</b>	<b>Attended</b>	<b>Out of a possible</b>
Geoffrey Bailey (to 31.10.13)	0	0
Helen Binnie (joined Committee 04.12.14)	2	3
Peter Butterworth (Headteacher)	4	4
Carole Cook	3	4
Richard Hall (joined Committee 04.12.13)	3	3
Helena Jordan	2	4
Paul Lincoln (to 08.10.13)	0	0
Kirsty MacLean (joined Committee 25.03.14)	1	1
Patricia Roberts (left Committee 04.12.13)	0	1
Brenda Morley (Chair)	4	4
Marion Williams	4	4
Peter Wood (to 09.02.14)	1	2

The Curriculum and Student Committee has formally met 3 times during the year to oversee the school curriculum to ensure that it meets the needs of the students and the statutory requirements. Attendance during the year was as follows:

<b>Name</b>	<b>Attended</b>	<b>Out of a possible</b>
Peter Butterworth (Headteacher)	3	3
Julia Gault (joined committee 19.11.13)	1	3
Stephen Gillmore	3	3
Andrew Green	2	3
Nicola Lynch (to 25.03.14)	1	1
Brenda Morley (exofficio, Chair of Governors)	3	3
David Nicholls (joined committee 04.12.13)	2	2
Jane Weller	3	3
Susannah Wheeler	3	3
Marion Williams (Chair)	3	3

The Personnel Committee has formally met 3 times during the year to deal with strategic Human Resources and pay issues. Attendance during the year was as follows:

<b>Name</b>	<b>Attended</b>	<b>Out of a possible</b>
Peter Butterworth (Headteacher)	3	3
Carole Cook	1	3
Richard Hall(Chair)	3	3
Brenda Morley	3	3
Patricia Roberts (Chair to 04.12.13, left Committee 19.07.14)	1	3

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## OVERTON GRANGE SCHOOL

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### GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

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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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

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

#### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed 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 Governors, through the Resources Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Review of Effectiveness**

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Leadership Team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on

and signed on its behalf by:



**B Morley MBE**  
Chair of Governors



**P H Butterworth**  
Accounting Officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

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

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

**P H Butterworth**  
**Accounting Officer**



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## OVERTON GRANGE SCHOOL

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### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2014

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on

and signed on its behalf by:



**B Morley MBE**  
Chair of Governors

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

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF OVERTON GRANGE SCHOOL**

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

This report is made solely to the academy 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy 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' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF OVERTON GRANGE SCHOOL**

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**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.

*MHA MacIntyre Hudson*

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: *18-12-14*

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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 FUNDING AGENCY**

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In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Overton Grange School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Overton Grange School and 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 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 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 ACCOUNTANT**

The accounting officer is responsible, under the requirements of Overton Grange School's funding agreement with the Secretary of State for Education, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

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

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

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

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

Date:

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	31,343	-	-	31,343	82,430
Activities for generating funds	3,4	109,323	-	-	109,323	335,980
Investment income	5	11,392	-	-	11,392	13,319
Incoming resources from charitable activities	6	-	7,100,153	25,499	7,125,652	7,249,107
<b>TOTAL INCOMING RESOURCES</b>		<b>152,058</b>	<b>7,100,153</b>	<b>25,499</b>	<b>7,277,710</b>	<b>7,680,836</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs	4	81,648	-	-	81,648	308,713
Charitable activities	8	94,021	7,259,093	396,402	7,749,516	7,729,950
Governance costs	7	-	14,100	-	14,100	16,297
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>175,669</b>	<b>7,273,193</b>	<b>396,402</b>	<b>7,845,264</b>	<b>8,054,959</b>
<b>NET RESOURCES EXPENDED BEFORE TRANSFERS</b>		<b>(23,611)</b>	<b>(173,040)</b>	<b>(370,903)</b>	<b>(567,554)</b>	<b>(374,123)</b>
Transfers between Funds	20	-	(16,246)	16,246	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>(23,611)</b>	<b>(189,286)</b>	<b>(354,657)</b>	<b>(567,554)</b>	<b>(374,123)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(490,000)	-	(490,000)	(28,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(23,611)</b>	<b>(679,286)</b>	<b>(354,657)</b>	<b>(1,057,554)</b>	<b>(402,123)</b>
Total funds at 1 September 2013		102,019	(1,614,333)	24,376,264	22,863,950	23,266,073
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>78,408</b>	<b>(2,293,619)</b>	<b>24,021,607</b>	<b>21,806,396</b>	<b>22,863,950</b>

All activities relate to continuing operations.  
The Statement of Financial Activities includes all gains and losses recognised in the year.  
The notes on pages 24 to 42 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	16		<b>24,021,607</b>		24,361,921
<b>CURRENT ASSETS</b>					
Stocks	17	<b>15,759</b>		10,753	
Debtors	18	<b>74,844</b>		58,299	
Cash at bank		<b>614,121</b>		814,136	
			<u><b>704,724</b></u>	<u>883,188</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	<b>(444,935)</b>		(474,159)	
<b>NET CURRENT ASSETS</b>			<u><b>259,789</b></u>		<u>409,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>24,281,396</b></u>		<u>24,770,950</u>
Defined benefit pension scheme liability	25		<u><b>(2,475,000)</b></u>		<u>(1,907,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u><b>21,806,396</b></u></u>		<u><u>22,863,950</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	20	<b>181,381</b>		292,667	
Restricted fixed asset funds	20	<b>24,021,607</b>		24,376,264	
			<u><b>24,202,988</b></u>	<u>24,668,931</u>	
Restricted funds excluding pension liability			<u><b>24,202,988</b></u>	<u>24,668,931</u>	
Pension reserve		<b>(2,475,000)</b>		(1,907,000)	
			<u><b>21,727,988</b></u>	<u>22,761,931</u>	
Total restricted funds			<u><b>21,727,988</b></u>	<u>22,761,931</u>	
Unrestricted funds	20		<u><b>78,408</b></u>	<u>102,019</u>	
<b>TOTAL FUNDS</b>			<u><u><b>21,806,396</b></u></u>	<u><u>22,863,950</u></u>	

The financial statements were approved by the Governors, and authorised for issue, on and are signed on their behalf, by:

*B.P. Morley*  
 .....  
**Brenda Morley MBE**  
**Chair of Governors**

The notes on pages 24 to 42 form part of these financial statements.



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

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**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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	<b>Note</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Net cash flow from operating activities	22	<b>(180,819)</b>	252,650
Returns on investments and servicing of finance	23	<b>11,392</b>	13,319
Capital expenditure and financial investment	23	<b>(30,588)</b>	(26,860)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(200,015)</b>	239,109

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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		<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
(Decrease)/increase in cash in the year		<b>(200,015)</b>	239,109
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>		<b>(200,015)</b>	239,109
Net funds at 1 September 2013		<b>814,136</b>	575,027
<b>NET FUNDS AT 31 AUGUST 2014</b>	24	<b>614,121</b>	814,136

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The notes on pages 24 to 42 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

**1.3 Incoming resources**

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

**1.4 Resources expended**

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

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

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

Governance costs 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.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 trust 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

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 are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets transferred at inception have been 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 carrying value of the fixed assets and their recoverable amounts are recognised as impairments.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	40 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	3 years straight line

**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 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.

**1.9 Pensions**

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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 2014**

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**1. ACCOUNTING POLICIES (continued)**

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 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 25, 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 a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2014 £</b>	<b>Restricted funds 2014 £</b>	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
Donations	31,343	-	31,343	57,049
Capital grants	-	-	-	25,381
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	<b>31,343</b>	<b>-</b>	<b>31,343</b>	<b>82,430</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rental income	59,370	-	59,370	64,470
Catering	1,220	-	1,220	180,194
Other income	48,733	-	48,733	91,316
	<u>109,323</u>	<u>-</u>	<u>109,323</u>	<u>335,980</u>

**4. TRADING ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Fundraising trading expenses</b>				
School shop	66,533	-	66,533	74,549
Catering	15,115	-	15,115	234,164
	<u>81,648</u>	<u>-</u>	<u>81,648</u>	<u>308,713</u>
Net expenditure from trading activities	<u>(81,648)</u>	<u>-</u>	<u>(81,648)</u>	<u>(308,713)</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	<u>11,392</u>	<u>-</u>	<u>11,392</u>	<u>13,319</u>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational operations	<u>-</u>	<u>7,125,652</u>	<u>7,125,652</u>	<u>7,249,107</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA revenue grants</b>				
General annual grant (GAG)	-	6,391,381	6,391,381	6,526,318
Other government grants	-	121,346	121,346	148,662
Pupil premium	-	203,874	203,874	164,816
SEN allocation	-	235,992	235,992	209,583
Trip income	-	141,936	141,936	187,390
Exam fee income	-	5,624	5,624	12,338
Capital grants	-	25,499	25,499	-
	-	7,125,652	7,125,652	7,249,107

**7. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Staff costs	-	6,000	6,000	6,000
Auditors' remuneration	-	8,100	8,100	8,000
Legal and professional costs	-	-	-	2,297
	-	14,100	14,100	16,297

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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 2014**

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**8. CHARITABLE ACTIVITIES**

	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	<b>5,437,097</b>	5,363,759
Pension finance cost	<b>71,000</b>	67,000
Educational consumables	<b>123,056</b>	81,342
Examination expenses	<b>129,667</b>	136,427
Staff development	<b>64,324</b>	63,799
Educational consultancy	<b>73,444</b>	78,765
School trip expenditure	<b>133,859</b>	177,779
Other direct costs	<b>17,419</b>	14,694
	<b><u>6,049,866</u></b>	<b><u>5,983,565</u></b>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	<b>527,776</b>	595,328
Depreciation	<b>396,402</b>	395,158
Repairs and maintenance	<b>154,360</b>	189,726
Cleaning contract	<b>113,022</b>	106,463
Rates and water	<b>65,857</b>	63,411
Light and heat	<b>91,602</b>	119,316
Legal and professional services	<b>176,093</b>	104,785
Insurance	<b>112,095</b>	103,542
Other support costs	<b>62,443</b>	68,656
	<b><u>1,699,650</u></b>	<b><u>1,746,385</u></b>
	<b><u><u>7,749,516</u></u></b>	<b><u><u>7,729,950</u></u></b>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**9. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Fundraising expenses	-	81,648	81,648	308,713
<b>Costs of generating funds</b>	<b>-</b>	<b>81,648</b>	<b>81,648</b>	<b>308,713</b>
Educational operations	5,621,480	428,386	6,049,866	5,983,565
Support costs - Educational operations	527,776	1,171,874	1,699,650	1,746,385
<b>Charitable activities</b>	<b>6,149,256</b>	<b>1,600,260</b>	<b>7,749,516</b>	<b>7,729,950</b>
<b>Governance</b>	<b>-</b>	<b>14,100</b>	<b>14,100</b>	<b>16,297</b>
	<b>6,149,256</b>	<b>1,696,008</b>	<b>7,845,264</b>	<b>8,054,960</b>

**10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Educational operations	6,049,866	1,699,650	7,749,516	7,729,950

**11. NET RESOURCES EXPENDED**

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets: - owned by the charity	396,402	395,158
Auditor's remuneration	8,100	8,000

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**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	4,952,664	4,928,860
Social security costs	348,334	361,689
Other pension costs (Note25)	663,875	668,540
	<u>5,964,873</u>	<u>5,959,089</u>
Supply teacher costs	113,383	145,754
Pension finance cost	71,000	67,000
	<u>6,149,256</u>	<u>6,171,843</u>

**b. Staff numbers**

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

	2014 No.	2013 No.
Teachers	121	121
Administration and support	48	55
	<u>169</u>	<u>176</u>

**c. Higher paid staff**

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	2	1
In the band £100,001 - £200,000	1	0
	<u>6</u>	<u>4</u>

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**13. GOVERNORS' REMUNERATION AND EXPENSES**

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2014 £	2013 £
Principal	85,000-90,000	80,000-85,000
Stephen Gillmore (staff governor)	30,000-35,000	30,000-35,000
Jane Weller (staff governor)	40,000-45,000	45,000-50,000
Peter Wood (staff governor)	20,000-25,000	45,000-50,000

During the year ended 31 August 2014, no expenses were reimbursed to trustees.

**14. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy trust 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 2014 was £1,540 (2013 - £1,496). The cost of this insurance is included in the total insurance cost.

**15. PENSIONS FINANCE COST**

	2014 £	2013 £
Expected return on pension scheme assets	96,000	61,000
Interest on pension scheme liabilities	(167,000)	(128,000)
	<u>(71,000)</u>	<u>(67,000)</u>

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**16. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Motor Vehicles £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 September 2013	25,002,648	19,522	126,709	25,148,879
Additions	29,302	-	26,786	56,088
At 31 August 2014	<u>25,031,950</u>	<u>19,522</u>	<u>153,495</u>	<u>25,204,967</u>
<b>Depreciation</b>				
At 1 September 2013	727,618	11,872	47,468	786,958
Charge for the year	363,809	3,904	28,689	396,402
At 31 August 2014	<u>1,091,427</u>	<u>15,776</u>	<u>76,157</u>	<u>1,183,360</u>
<b>Net book value</b>				
At 31 August 2014	<u>23,940,523</u>	<u>3,746</u>	<u>77,338</u>	<u>24,021,607</u>
At 31 August 2013	<u>24,275,030</u>	<u>7,650</u>	<u>79,241</u>	<u>24,361,921</u>

**17. STOCKS**

	2014 £	2013 £
Finished goods and goods for resale	<u>15,759</u>	<u>10,753</u>

**18. DEBTORS**

	2014 £	2013 £
Trade debtors	12,920	10,521
Other debtors	34,035	14,712
Prepayments and accrued income	27,889	33,066
	<u>74,844</u>	<u>58,299</u>

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

	2014 £	2013 £
Trade creditors	45,565	117,658
Other taxation and social security	107,136	109,436
Accruals and deferred income	292,234	247,065
	<u>444,935</u>	<u>474,159</u>

**20. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General funds	102,019	152,058	(175,669)	-	-	78,408
<b>Restricted funds</b>						
Restricted funds	292,667	7,100,153	(7,195,193)	(16,246)	-	181,381
Pension reserve	(1,907,000)	-	(78,000)	-	(490,000)	(2,475,000)
	<u>(1,614,333)</u>	<u>7,100,153</u>	<u>(7,273,193)</u>	<u>(16,246)</u>	<u>(490,000)</u>	<u>(2,293,619)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	24,376,264	25,499	(396,402)	16,246	-	24,021,607
Total restricted funds	<u>22,761,931</u>	<u>7,125,652</u>	<u>(7,669,595)</u>	<u>-</u>	<u>(490,000)</u>	<u>21,727,988</u>
Total of funds	<u>22,863,950</u>	<u>7,277,710</u>	<u>(7,845,264)</u>	<u>-</u>	<u>(490,000)</u>	<u>21,806,396</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. Other amounts in the fund represents the academy's investment in fixed assets.

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

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

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 purpose of the academy trust.

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

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
General funds	102,019	152,058	(175,669)	-	-	78,408
Restricted funds	(1,614,333)	7,100,153	(7,273,193)	(16,246)	(490,000)	(2,293,619)
Restricted fixed asset funds	24,376,264	25,499	(396,402)	16,246	-	24,021,607
	<u>22,863,950</u>	<u>7,277,710</u>	<u>(7,845,264)</u>	<u>-</u>	<u>(490,000)</u>	<u>21,806,396</u>

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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	24,021,607	24,021,607	24,361,922
Current assets	61,418	643,306	-	704,724	883,188
Creditors due within one year	16,990	(461,925)	-	(444,935)	(474,160)
Provisions for liabilities and charges	-	(2,475,000)	-	(2,475,000)	(1,907,000)
	<u>78,408</u>	<u>(2,293,619)</u>	<u>24,021,607</u>	<u>21,806,396</u>	<u>22,863,950</u>

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**22. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net incoming resources before revaluations	(567,554)	(374,123)
Returns on investments and servicing of finance	(11,392)	(13,319)
Depreciation of tangible fixed assets	396,402	395,158
Capital grants from DfE	(25,499)	(25,381)
(Increase)/ decrease in stocks	(5,005)	82
(Increase)/ decrease in debtors	(16,547)	-
(Decrease)/ increase in creditors	(29,224)	198,233
FRS 17 adjustments	78,000	72,000
	<u>(180,819)</u>	<u>252,650</u>

**23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	11,392	13,319
	<u>11,392</u>	<u>13,319</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(56,087)	(52,241)
Capital grants from DfE	25,499	25,381
	<u>(30,588)</u>	<u>(26,860)</u>

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	814,136	(200,015)	-	614,121
<b>Net funds</b>	<u>814,136</u>	<u>(200,015)</u>	<u>-</u>	<u>614,121</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London 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 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

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

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

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

**Teachers' Pension Scheme Changes**



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**25. PENSION COMMITMENTS (continued)**

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

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

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

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

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £353,000, of which employer's contributions totalled £287,000 and employees' contributions totalled £66,000. The agreed contribution rates for future years are 13.0% for employers and 5.5-7.5% for employees.

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

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**25. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	<b>(4,578,000)</b>	(3,494,000)
Fair value of scheme assets	<b>2,103,000</b>	1,587,000
Net liability	<b><u>(2,475,000)</u></b>	<b><u>(1,907,000)</u></b>

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

	2014 £	2013 £
Current service cost	<b>(294,000)</b>	(257,000)
Interest on obligation	<b>(167,000)</b>	(128,000)
Expected return on scheme assets	<b>96,000</b>	61,000
Total	<b><u>(365,000)</u></b>	<b><u>(324,000)</u></b>
Actual return on scheme assets	<b><u>191,000</u></b>	<b><u>132,000</u></b>

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

	2014 £	2013 £
Opening defined benefit obligation	<b>3,494,000</b>	2,943,000
Current service cost	<b>294,000</b>	257,000
Interest cost	<b>167,000</b>	128,000
Contributions by scheme participants	<b>66,000</b>	67,000
Actuarial Losses	<b>636,000</b>	99,000
Benefits paid	<b>(79,000)</b>	-
Closing defined benefit obligation	<b><u>4,578,000</u></b>	<b><u>3,494,000</u></b>

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**25. PENSION COMMITMENTS (continued)**

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

	2014 £	2013 £
Opening fair value of scheme assets	1,587,000	1,136,000
Expected return on assets	96,000	61,000
Actuarial gains and (losses)	146,000	71,000
Contributions by employer	287,000	252,000
Contributions by employees	66,000	67,000
Benefits paid	(79,000)	-
	<u>2,103,000</u>	<u>1,587,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £750,000 (2013 - £260,000).

The academy trust expects to contribute £266,000 to its Defined Benefit Pension Scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	65.00 %	59.00 %
Bonds	26.00 %	32.00 %
Property	7.00 %	5.00 %
Cash	2.00 %	4.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.60 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.3	21.6
Females	24.5	24.9
Retiring in 20 years		
Males	24.2	24.0
Females	26.8	27.1

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**25. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	<b>(4,578,000)</b>	(3,494,000)
Scheme assets	<b>2,103,000</b>	1,587,000
Deficit	<b>(2,475,000)</b>	(1,907,000)
Experience adjustments on scheme liabilities	<b>(636,000)</b>	(99,000)
Experience adjustments on scheme assets	<b>146,000</b>	71,000

**26. RELATED PARTY TRANSACTIONS**

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

**27. COMPANY LIMITED BY GUARANTEE**

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