

Overton Grange School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2016

Company Registration Number:
07627110 (England and Wales)

Overton Grange School

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Overton Grange School

Reference and Administrative Details

Members	Brenda Morley MBE Marion Williams Paul Lincoln OBE
Governors	Brenda Morley MBE (Chair of Governors) Charlotte Auger (Staff Governor appointed 14.01.16) Aaron Banham Gerald Bennett (Joint Acting Headteacher appointed 01.09.16) Geoffrey Beresford Hartwell (appointed 16.03.16) Helen Binnie Peter Butterworth (Headteacher and Accounting Officer resigned 31.08.16) Carole Cook Simon Doubell Peter Duus (appointed 05.10.15) Julia Gault (resigned 02.09.15) Stephen Gillmore (Staff Governor) Andrew Green (resigned 31.12.15) Charlotte Kenyon Kirsty MacLean (Staff Governor) Karl Nicholas (Staff Governor resigned 31.12.15) David Nicholls Laura Page (appointed 05.10.15; resigned 20.09.16) Keith Stride (Joint Acting Headteacher and Accounting Officer appointed 01.09.16) Marion Williams
Company Secretary	Janet Barnett
Senior Management Team:	Peter Butterworth (Headteacher) Gerald Bennett (Deputy Headteacher) Keith Stride (Deputy Headteacher) David Eccles (Deputy Headteacher) Tarah Stevenson (Assistant Headteacher) Carole Hilton-Grange (Assistant Headteacher) Janet Barnett (School Business Manager) Seonaid Ryan (Special Educational Needs Co-ordinator)
Company Name	Overton Grange School
Principal and Registered Office	36 Stanley Road Sutton Surrey SM2 6TQ
Company Registration Number	007627110 (England and Wales)

Overton Grange School

Reference and Administrative Details (continued)

Independent Auditor

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

Bankers

Lloyds TSB
Sutton
Surrey, SM1 1DT

Solicitors

Browne Jacobson
15th Floor
6 Bevis Marks
London EC3A 7BA

Overton Grange School

Governors' Report

The Governors' present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

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

Structure, Governance and Management

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 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 and is referred to as the 'School' throughout this document.

Details of the governors 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 School. The cost of this insurance during the year was £261.

Method of Recruitment and Appointment or Election of Governors

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

The Governing Body may appoint up to 16 Governors, whose term of office shall be four years, save that this time limit shall not apply to the Headteacher who shall be treated for all purposes as 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 31st August 2016 and who served during the year are listed on page 3.

Overton Grange School

Governors' Report (continued)

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

Related Parties and other Connected Charities and Organisations

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

Overton Grange School

Governors' Report (continued)

Objectives and Activities

Objects and Aims

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

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 2016, our priorities were:

1. To improve attainment and attendance for all groups and ensure all students make good progress in each key stage with a focus on vulnerable groups, (Looked After Children, English as an Additional Language students, students for whom Pupil Premium is received), Year 7 'Catch-Up' and, More Able students.
2. To improve the quality of teaching and learning in all key stages through a continued focus on differentiation.
3. To implement curriculum developments in Key Stages 3, 4 and 5 in a coherent way that is consistent with the School's Ethos and Curriculum Aims by monitoring, clear communication, effective planning and the provision of CPD and other resources as required.
4. To strategically plan and manage resources to ensure a sustainable budget and optimise the use of school facilities, teaching and support staff.

Public Benefit

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

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

Overton Grange School

Governors' Report (continued)

Strategic Report

Achievements and Performance

In January 2016, the School received a full (Section 5) Ofsted Inspection which reported significant progress since the previous inspection and a wide range of strengths including parental satisfaction, teaching, student behaviour and safety, safeguarding, governance and school leadership, the sixth form, the quality of relationships in the school, pastoral care, guidance and extra-curricular provision.

The detailed Ofsted judgements were as follows:

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

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

The 2015 and 2016 GCSE examination results were the 'best ever' for Overton Grange School and build on very strong exam results in 2014. These three years of good progress show significant improvement. 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 A Level results in 2015 were the best ever with just over 90% of students going to university and all others either to planned Further Education, employment or training. In 2016 an academically weaker cohort of A Level students performed well with around 80% going to university and the remaining 20% achieving clear destinations.

Parent surveys consistently 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.

The School is popular locally, with rising numbers of mid-term applications and an increase in our intake in Year 7 from 210 to 240.

Key Performance Indicators

These are as follows:

Number of students on roll (31 August)

2016	1294
2015	1252
2014	1236
2013	1265
2012	1283
2011	1265
2010	1293
2009	1261

Overton Grange School

Governors' Report (continued)

Key Performance Indicators (continued)

Staff turnover	New staff	%of total staff
2016	16	10.0
2015	11	13.7
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.

Going Concern

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

Financial Review

Funding

95% (2015: 90%) of the School's income for the year ended 31st August 2016 was generated through delegated funding from the Education Funding Agency (EFA), which is part of the Department for Education (DfE) and the remaining 5% (2015:10%) from other sources. This was unusually high in 2016 as a result of capital funding for expansion of the school buildings.

Expenditure

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

Financial position and policies

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

Overton Grange School

Governors' Report (continued)

Reserves Policy

As at 31st August 2016, the total funds comprised restricted funds of £20,272,000 analysed into restricted fixed asset funds of £24,489,000, GAG of £110,000 and the pension reserve deficit of £4,383,000. Unrestricted reserves total £56,000.

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves' for use on the general purposes of the School at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital.

The deficit on the pension reserve relates to the support staff, where, unlike the teachers' pension scheme, separate assets are held to fund future liabilities as discussed in note 26. 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.

Investment Policy

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

Principal Risks and Uncertainties

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

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

The principal risks facing the School are:

- Reputational risk – mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour and providing a broad-based and relevant curriculum.
- Performance risk – mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.
- Financial risk – the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.
- Personnel risks – mitigated by ensuring that the school has correct recruitment and performance management procedures and that all staff are supported, motivated and valued.
- Unfunded additional duties placed on schools.

Overton Grange School

Governors' Report (continued)

Plans for Future Periods

The Governing Body closely monitored the progress of the 2015-18 School Development Plan (SDP) and in July 2016 approved a three year School Development Plan for 2016-19. This provides an agreed framework of detailed actions to ensure further school improvement, meeting the anticipated changes in educational provision and ensuring the aims and objectives of the School are fulfilled. 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 and local context in which the School operates.

Funds Held as Custodian Trustee on Behalf of Others

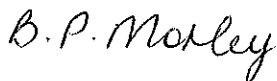
There are no funds held as custodian trustee on behalf of others.

Auditor

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on *1ST DECEMBER 2016* and signed on the board's behalf by:



Brenda Morley MBE
Chair of Governors

Overton Grange School

Governance Statement

Scope of Responsibility

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

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

Governance

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

Governor	Meetings attended	Out of a possible
Brenda Morley MBE (Chair)	4	4
Charlotte Auger (from 14.01.16)	3	3
Aaron Banham	3	4
Gerald Bennett (Joint Acting Headteacher from 01.09.16)	0	0
Geoffrey Beresford Hartwell (from 16.03.16)	2	2
Helen Binnie	3	4
Peter Butterworth (Headteacher to 31.08.16)	4	4
Carole Cook	3	4
Simon Doubell	4	4
Peter Duus (from 05.10.15)	3	4
Julia Gault (to 02.09.15)	0	0
Stephen Gillmore	4	4
Andrew Green (to 31.12.15)	0	1
Charlotte Kenyon	4	4
Kirsty MacLean	1	4
Karl Nicholas (to 31.12.15)	1	1
David Nicholls	4	4
Laura Page (05.10.15 to 20.09.16)	2	4
Keith Stride (Joint Acting Headteacher from 01.09.16)	0	0
Marion Williams	3	4

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

Overton Grange School

Governance Statement (continued)

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Brenda Morley MBE (Chair)	3	3
Helen Binnie	1	3
Peter Butterworth (Headteacher to 31.08.16)	3	3
Carole Cook	3	3
Simon Doubell	3	3
Charlotte Kenyon	3	3
Kirsty MacLean	2	3
Marion Williams	2	3

Review of Value for Money

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

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

Pursuing new initiatives:

The School entered into a contract with a football coaching School Unique FA during 2015/16 whereby Unique FA will recruit annually, approximately 20 young gifted and talented football players. Provided they meet the academic and Unique FA's entry requirements, students attend a two Year A Level or equivalent course at Overton Grange School alongside a Football Education provided by Unique FA.

Through this initiative, the School has been able to gain additional students into its sixth form and associated funding without any additional staffing resource and with limited impact on timetabling and resources.

The School is currently evaluating the operation to ensure that the contract continues to represent value for money.

Overton Grange School

Governance Statement (continued)

Reviewing risks regularly and mitigating cost effectively:

The School has invested in an online risk management system which is being used by the Schools Senior Leadership Team to analyse risks and introduce controls thus ensuring compliance with statutory and regulatory requirements. The investment represents a good use of public resources as it is anticipated that the Senior Leadership Team of the School and Governing Body will have a clearer understanding and an auditable trail of the steps taken to safeguard the assets and continued operation of the school thereby ensuring that costs are mitigated effectively.

Effective use of Pupil Premium :

Value for money has been demonstrated by the fact that the gap between Pupil Premium and non-Pupil Premium at 5 A*- C was just 1% in 2016, continuing the trend from the previous two years. The narrowing of the gap has been achieved by planned use of pupil premium funding to target specific groups. Pupil premium spending in the past academic year has included:

- A proportion of salary costs to allow for small group work in English and Maths.
- A proportion of salary costs for the Behavioural Support Team, Educational Welfare and Teaching Assistants.
- External services, including Speech and Language therapy and Sutton Tuition and Reintegration Service (STARS).
- Provision of resources to support individuals' curriculum needs, e.g. revision guides, equipment, uniform, science activities and use of the fitness suite.
- A proportion of payments for extra-curricular activities, including external tuition, trips, music lessons and Prom tickets.

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 the Schools' 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Governors has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

Overton Grange School

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors;
- regular reviews by the 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; and
- identification and management of risks.

The board of Governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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

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

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

Overton Grange School

Governance Statement (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the board of Governors on 1ST DECEMBER 2016
and signed on its behalf by:



Brenda Morley MBE
Chair of Governors



Keith Stride
Accounting Officer

Overton Grange School

Statement of Regularity, Propriety and Compliance

As accounting officer of Overton Grange School I have considered my responsibility to notify the Academy Trust board of Governors 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 School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the School board of Governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2015.

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



Keith Stride

Accounting Officer

Overton Grange School

Statement of Governors' Responsibilities

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction 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 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Approved by order of the members of the board of governors on 1ST DECEMBER 2016
and signed on its behalf by:

B. P. Morley

Brenda Morley MBE

Chair of Governors

Overton Grange School

Independent Auditor's Report on the Financial Statements to the Members of Overton Grange School

We have audited the financial statements of Overton Grange School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Govenors' Responsibilities Statement, the Governors 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 Financial Reporting Council'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual 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.

Overton Grange School

Independent Auditor's Report on the Financial Statements to the Members of Overton Grange School (continued)

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 2016, 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 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matters prescribed by the Companies Act 2006

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

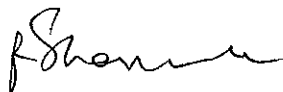
- the information given in the Governors' Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors Report been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors Report.

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 directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.



Rakesh Shaunak FCA
For and on behalf of :
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

16-12-16

Overton Grange School

Independent Reporting Accountant's Assurance Report on Regularity to Overton Grange School and the Education Funding Agency

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 2015 to 2016, 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 1 September 2015 to 31 August 2016 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 dated 27 February 2015 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 1 September 2015 to 31 August 2016 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 2015 to 2016 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.

Overton Grange School

Independent Reporting Accountant's Assurance Report on Regularity to Overton Grange School and the Education Funding Agency (continued)

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.

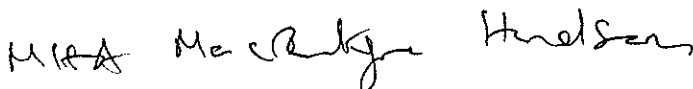
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

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 Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust.
- Testing of a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing of a sample of grants received and other income streams.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA Macintyre Hudson

Reporting Accountants

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

16-12-16

Overton Grange School

Statement of Financial Activities

for the year ended 31 August 2016

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 £000
Income from:						
Donations and capital grants	3	17	-	1,198	1,215	43
Charitable activities:						
Funding for the School's educational operations	4	-	7,125	-	7,125	6,948
Other trading activities	5	66	-	-	66	78
Investments	6	9	-	-	9	9
Total		92	7,125	1,198	8,415	7,078
Expenditure on:						
Raising funds	7	9	-	-	9	21
Charitable activities:						
School educational operations	8	37	7,397	389	7,823	7,623
Total		46	7,397	389	7,832	7,644
Net income / (expenditure)		46	(272)	809	583	(566)
Transfers between funds	16	(50)	50	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	16,26	-	(1,796)	-	(1,796)	244
Net movement in funds		(4)	(2,018)	809	(1,213)	(322)
Reconciliation of funds						
Total funds brought forward		60	(2,255)	23,680	21,485	21,807
Total funds carried forward		56	(4,273)	24,489	20,272	21,485

The notes on pages 26 to 48 form part of these financial statements.

Overton Grange School

Balance Sheet as at 31 August 2016

Company Number 07627110

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	12		23,502		23,680
Current assets					
Stock	13	8		7	
Debtors	14	18		55	
Cash at bank and in hand		1,588		536	
		<u>1,614</u>		<u>598</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(461)</u>		<u>(383)</u>	
Net current assets			<u>1,153</u>		<u>215</u>
Total assets less current liabilities			<u>24,655</u>		<u>23,895</u>
Creditors: Amounts falling due after more than one year			<u>-</u>		<u>-</u>
Net assets excluding pension liability			<u>24,655</u>		<u>23,895</u>
Defined benefit pension scheme liability	26		<u>(4,383)</u>		<u>(2,410)</u>
Total net assets			<u>20,272</u>		<u>21,485</u>
Funds of the School:					
Restricted funds					
. Fixed asset fund	16	24,489		23,680	
. Restricted income fund	16	110		155	
. Pension reserve	16	<u>(4,383)</u>		<u>(2,410)</u>	
Total restricted funds			<u>20,216</u>		<u>21,425</u>
Unrestricted income funds	16		<u>56</u>		<u>60</u>
Total funds			<u>20,272</u>		<u>21,485</u>

The financial statements on pages 23 to 48 were approved by the Governors and authorised for issue on

1ST DECEMBER 2016...2016 and are signed on their behalf by

B. P. Morley

Brenda Morley MBE
Chair of Governors

Keith Stride

Keith Stride
Headteacher

Overton Grange School

Statement of Cash Flows

for the year ended 31 August 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	56	(61)
Cash flows from investing activities	21	996	(17)
Cash flows from financing activities	20	-	-
Change in cash and cash equivalents in the reporting period		<u>1,052</u>	<u>(78)</u>
Cash and cash equivalents at 1 September 2015		536	614
Cash and cash equivalents at 31 August 2016	22	<u>1,588</u>	<u>536</u>

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of accounting policies

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

Basis of Preparation

The financial statements of the School, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Overton Grange School meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in sterling, which is the functional currency of the School and rounded to the nearest thousand pounds.

First time adoption of FRS 102

These financial statements are the first financial statements of the Overton Grange School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of the Overton Grange School for the year ended 31 August 2015 were prepared in accordance with previously Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement and presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 20.

Going Concern

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

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

Sponsorship income provided to the School which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the School has provided the goods or services.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Long leasehold buildings 50 years
- Fixtures, fittings and equipment 5 years
- Computer hardware 3 years

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

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

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.

Liabilities

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

Provisions

Provisions are recognised when the School has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

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

Stock

Uniform stocks are valued at the lower of cost or net realisable value.

Taxation

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Pensions Benefits

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and Department for Education.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1 Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The key area of judgement relates to the applicability of the going concern concept and this is discussed above.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

2 General Annual Grant (GAG)

There are no restrictions on the amount of GAG that can be carried forward under the school's funding agreement.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	1,198	1,198	27
Donated fixed assets	-	-	-	-
Other donations	17	-	17	16
	<u>17</u>	<u>1,198</u>	<u>1,215</u>	<u>43</u>

The income from donations and capital grants was £1,215,000 (2015: £43,000) of which £17,000 was unrestricted (2015: £16,000) and £1,198,000 was restricted fixed asset funds (2015: £27,000).

4 Funding for the School's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	6,319	6,319	6,278
. Pupil Premium	-	190	190	232
. Other DfE/EFA grants	-	145	145	95
	<u>-</u>	<u>6,654</u>	<u>6,654</u>	<u>6,605</u>
Other Government grants				
. Special educational projects	-	150	150	147
	<u>-</u>	<u>150</u>	<u>150</u>	<u>147</u>
Other income from the School's educational operations	-	321	321	196
	<u>-</u>	<u>7,125</u>	<u>7,125</u>	<u>6,948</u>

The income from funding for the School's education operations was £7,125,000 (2015: £6,948,000), which all related to restricted funds in both years.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	66	-	66	78
	<u>66</u>	<u>-</u>	<u>66</u>	<u>78</u>

The income from other trading activities was £66,000 (2015: £78,000), which all related to unrestricted funds in both years.

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	9	-	9	9
	<u>9</u>	<u>-</u>	<u>9</u>	<u>9</u>

The income from investments was £9,000 (2015: £9,000), which all related to unrestricted funds in both years.

7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	9	9	21
School's educational operations:					
. Direct costs	5,397	-	579	5,976	5,874
. Allocated support costs	727	467	653	1,847	1,749
	<u>6,124</u>	<u>467</u>	<u>1,241</u>	<u>7,832</u>	<u>7,644</u>

Total expenditure was £7,832,000 (2015: £7,644,000) of which £6,124,000 (2015: £5,979,000) was staff costs, £467,000 (2015: £410,000) was premises costs and £1,241,000 (2015: £1,255,000) was other costs. All costs related to raising funds were unrestricted.

Net income/(expenditure) for the period includes:

	2016 £000	2015 £000
Depreciation	389	394
Fees payable to auditor for:		
- audit	8	8
- other services	<u>2</u>	<u>2</u>

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8 Charitable activities

	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	5,976	5,874
Support costs – educational operations	1,847	1,749
	<u>7,823</u>	<u>7,623</u>

Analysis of support costs	Educational operations £000	Total 2016 £000	Total 2015 £000
Support staff costs	550	550	624
LGPS pension scheme adjustments (see note 26)	177	177	179
Depreciation	389	389	394
Technology costs	88	88	52
Premises costs	467	467	444
Other support costs	162	162	42
Governance costs	14	14	14
Total support costs	<u>1,847</u>	<u>1,847</u>	<u>1,749</u>

Expenditure on charitable activities was £7,823,000 (2015: £7,623,000) of which £37,000 related to unrestricted funds (2015: £123,000), £7,397,000 related to restricted funds (2015: £7,106,000) and £389,000 related to restricted fixed asset funds (2015: £394,000).

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £000	Total 2015 £000
Wages and salaries	4,486	4,582
Social security costs	382	335
Operating costs of defined benefit pension schemes	958	832
	<hr/> 5,826	<hr/> 5,749
Supply staff costs	298	229
	<hr/> 6,124	<hr/> 5,978

b. Staff numbers

The average number of persons employed by the School during the period was as follows:

	2016 No.	2015 No.
Teachers	111	114
Administration and support	40	45
	<hr/> 151	<hr/> 159

c. Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	2	2
£90,001 - £100,000	1	1
	<hr/>	<hr/>

d. Key management personnel

The key management personnel of the School comprise the governors and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the School was £ 644,863 (2015: £620,863).

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

10 Related Party Transactions – Governors' remuneration and expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the School. The headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment.

The value of governors' remuneration and other benefits was as follows:

P Butterworth (Headteacher and Accounting Officer):

Remuneration £90,000 - £95,000 (2015: £90,000 - £95,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

S Gilmore (Staff Governor):

Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

K Maclean (Staff Governor):

Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

K Nicholas (Staff Governor):

Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

C Auger (Staff Governor)

Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000)

Employer's pension contributions paid £5,000 - £10,000 (2015: £5,000 - £10,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £10 were reimbursed or paid directly to 1 Governors (2015: £14 to 1 Governor).

11 Governors officers insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2016 was £261 (2015: £265). The cost of this insurance is included in the total insurance cost.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

12 Tangible fixed assets

	Leasehold Land and Buildings £000	Motor Vehicles £000	Computer Equipment and Fixtures and Fittings £000	Total £000
Cost				
At 1 September 2015	25,032	20	206	25,258
Additions	188	-	23	211
At 31 August 2016	<u>25,220</u>	<u>20</u>	<u>229</u>	<u>25,469</u>
Depreciation				
At 1 September 2015	1,456	20	102	1,578
Charged in year	364	-	25	389
At 31 August 2016	<u>1,820</u>	<u>20</u>	<u>127</u>	<u>1,967</u>
Net book values				
At 31 August 2015	23,576	-	104	23,680
At 31 August 2016	<u>23,400</u>	<u>-</u>	<u>102</u>	<u>23,502</u>

Included in land and buildings is leasehold land at valuation of £6,812,000 (2015: £6,812,000) which is not depreciated.

13 Stock

	2016 £000	2015 £000
Uniform	8	7
	<u>8</u>	<u>7</u>

14 Debtors

	2016 £000	2015 £000
Trade debtors	4	2
Other debtors	2	14
Prepayments and accrued income	12	39
	<u>18</u>	<u>55</u>

Overton Grange School

Notes to the Financial Statements for the year ended 31

August 2016 (continued)

15 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	66	55
Other taxation and social security	121	105
Accruals and deferred income	274	223
	<u>461</u>	<u>383</u>

Deferred income	2016	2015
	£000	£000
Deferred income at 1 September 2015	-	50
Released from previous years	-	(50)
Resources deferred in the year	18	-
Deferred Income at 31 August 2016	<u>18</u>	<u>-</u>

At the balance sheet date the School was holding funds received in advance in respect of school trips.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

16 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	155	6,785	(6,880)	50	110
Pupil Premium	-	190	(190)	-	-
Other grants	-	150	(150)	-	-
Provision for boarding	-	-	-	-	-
Pension reserve	(2,410)	-	(177)	(1,796)	(4,383)
	(2,255)	7,125	(7,397)	(1,746)	(4,273)
Restricted fixed asset funds					
DfE/EFA capital grants	23,680	1,198	(389)	-	24,489
	23,680	1,198	(389)	-	24,489
Total restricted funds	21,425	8,323	(7,786)	(1,746)	20,216
Total unrestricted funds	60	92	(46)	(50)	56
Total funds	21,485	8,415	(7,832)	(1,796)	20,272

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 depreciation charged. Other amounts in the fund represent the school's investment in fixed assets. Capital funding of £987,000 has been recognised in respect of restricted fixed assets funds where the capital additions will be made in the following year and therefore the restricted fixed asset funds differ to the net book value of fixed assets by this amount.

Restricted general funds are used for educational purposes in line with the school's objects and the funding agreement with the EFA.

Restricted funds in respect of the defined benefit liability represent the movements on the Local Government Pension Scheme Liability.

Overton Grange School

Notes to the Financial Statements for the year ended 31

August 2016 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	23,502	23,502
Current assets	56	571	987	1,614
Current liabilities	-	(461)	-	(461)
Pension scheme liability	-	(4,383)	-	(4,383)
Total net assets	56	(4,273)	24,489	20,272

18 Capital commitments

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	987	-

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

19 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £000	2015 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	583	(518)
Adjusted for:		
Depreciation [note 12]	389	394
Capital grants from DfE and other capital income	(1,198)	(26)
Interest receivable [note 6]	(9)	(9)
Defined benefit pension scheme cost less contributions payable [note 26]	85	88
Defined benefit pension scheme finance cost [note 26]	92	43
(Increase)/decrease in stocks	(1)	9
(Increase)/decrease in debtors	37	20
Increase/(decrease) in creditors	78	(62)
Net cash provided by / (used in) Operating Activities	56	(61)

20 Cash flows from financing activities

	2016 £000	2015 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

21 Cash flows from investing activities

	2016 £000	2015 £000
Interest receivable	9	9
Purchase of tangible fixed assets	(211)	(52)
Capital grants from DfE/EFA	1,198	26
Net cash provided by / (used in) investing activities	996	(17)

22 Analysis of cash and cash equivalents

	At 31 August 2016 £000	At 31 August 2015 £000
Cash in hand and at bank	1,588	536
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,588	536

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

23 Guarantees, letters of comfort and indemnities

No guarantees have been provided in respect of the year.

24 Contingent liabilities

There were no contingent liabilities at the balance sheet date.

25 Members liability

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

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

26 Pension and similar obligations

The School'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 Authority. Both are multi-employer defined benefit schemes

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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

26 Pension and similar obligations (continued)

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 -
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £685,000 (2015: £529,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Governor-administered funds. The total contribution made for the year ended 31 August 2016 was £298,000 (2015: £316,000), of which employer's contributions totalled £239,000 (2015: £250,000) and employees' contributions totalled £59,000 (2015: £66,000). The agreed contribution rates for future years are 25.5 per cent for employers and 5.5-12.5 per cent for employees.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

26 Pension and similar obligations (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of School 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 August 2016	At 31 August 2015
Rate of increase in salaries	4.10%	4.40%
Rate of increase for pensions in payment/inflation	2.30%	2.60%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.70%	2.90%
Commutation of pensions to lump sums	50.00%	50.00%

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 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.2	21.7
Females	24.8	25.0
<i>Retiring in 20 years</i>		
Males	24.1	23.7
Females	27.0	27.0

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	2,135	1,567
Debt instruments	760	674
Property	208	169
Total market value of assets	3,103	2,410

The actual return on scheme assets was £422,000 (2015: £3,000)

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

26 Pension and similar obligations (continued)

Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(309)	(328)
Net interest cost	(92)	(53)
Total operating charge	<u>(401)</u>	<u>(381)</u>

Amount recognised in the balance sheet

	2016 £000	2015 £000
Fair value of scheme's assets	3,103	2,410
Fair value of scheme's liabilities	<u>(7,486)</u>	<u>(4,820)</u>
Total operating charge	<u>(4,383)</u>	<u>(2,410)</u>

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

	2016 £000	2015 £000
At 1 September	4,820	4,578
Current service cost	309	328
Interest cost	194	176
Employee contributions	59	66
Actuarial (gain)/loss	2,116	(316)
Benefits paid	(12)	(12)
At 31 August	<u>7,486</u>	<u>4,820</u>

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

	2016 £000	2015 £000
At 1 September	2,410	2,103
Interest income	102	83
Return on plan assets (excluding net interest on the net defined pension liability)	320	(72)
Actuarial gain/(loss)	-	-
Employer contributions	224	242
Employee contributions	59	66
Benefits paid	(12)	(12)
At 31 August	<u>3,103</u>	<u>2,410</u>

Overton Grange School

Notes to the Financial Statements for the year ended 31

August 2016 (continued)

27 Related party transactions

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

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 10.

28 Events after the end of the reporting period

There were no significant post balance sheet events.

29 Agency arrangements

The school does not have any agency arrangements.

Overton Grange School

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

30 Explanation of transition to FRS 102

It is the first year that the School has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.]

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		21,806	21,845
Total funds reported under FRS 102		21,806	21,845

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP		(518)
Change in recognition of LGPS interest cost	A	(48)
Net movement in funds reported under FRS 102		(566)

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the School recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £48,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.