

Company Registration Number: 07647327 (England and Wales)

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**OUSEDALE SCHOOL**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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

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<b>Members</b>	Andrew Millburn, Chairman Susan Carbert, Head Teacher and Accounting Officer Paul Collins
<b>Trustees</b>	David Beaney, Chair of Finance and Premises Committee, Vice Chair Vicki Beynon (appointed 10 January 2017) Mandy Britnell, Chair of Learning and Curriculum (resigned 10 July 2017) Allison Collis (appointed 10 January 2017) Susan Rita Garner Yolande Herbath Clair King (resigned 11 July 2017) Andrew Lawson Hazel Leighfield David Moulson, Chair of Personnel Urvashi Parashar Jennifer Parker Laura Price (resigned 26 September 2016) John James Stevenson
<b>Company registered number</b>	07647327
<b>Company name</b>	Ousedale School
<b>Principal and registered office</b>	Ousedale School The Grove Newport Pagnell Buckinghamshire England MK16 0BJ
<b>Independent auditors</b>	Peters Elworthy & Moore Chartered Accountants Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
<b>Bankers</b>	Lloyds TSB Bank plc 28 Secklow Gate West Milton Keynes Buckinghamshire MK9 3EH

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The trust operates an academy for students aged 11 – 19 on two sites and has a student capacity of 2,213, currently there are 2,170 on roll (October 2017). The school is heavily oversubscribed - 734 applications for 360 places.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee (registered number 7647327) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Company was incorporated on 25 May 2011 and fully transitioned operations as of 1 August 2011 following a decision by the governing body and acceptance by the Secretary of State for Education that the School become an academy as of this date.

The governors act as the trustees for the charitable activities of Ousedale School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Ousedale School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

#### **Members' liability**

Every member of the Charitable Company undertakes to contribute to the assets of the Charitable 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 and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/she ceased to be a member. The Secretary of State for Education can direct the governors of the Trust in certain circumstances where the quality of education is deemed unsatisfactory.

#### **Governors' indemnities**

The School has purchased insurance to cover governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. Details of the costs can be found in note 13 of the accounts.

#### **Method of recruitment and appointment or election of Governors**

The Members of the Trust are responsible for the appointment of governors. Staff governors are appointed through an election process directed by the governing body. In the event that these positions are not filled, the members of the Trust are able to appoint to these positions.

The number of Trustees shall be not less than 3 and shall be subject to a maximum of 25.

#### **Policies and procedures adopted for the induction and training of Governors**

Trustees are appointed based on the skills that they will bring to the Governing Body or based on a proposal to the Governing Body by representative groups. On appointment, Trustees receive information relating to the Trust and attend a briefing and receive an induction pack on the role and responsibilities of Trustees.

Governors pride themselves in gaining any skills or knowledge required to carry out their role effectively. Consequently governors receive a regular yearly training session and attend additional training. All governors have received prevent training and are fully familiar with Ofsted requirements.

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

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**Organisational structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

All Trustees are members of the full Governing Body. The School has a strategy group consisting of the Chair, Vice-Chair and Chairs of each committee; they meet three times a year. In addition, Trustees are members of committees who report to the full Governing Body on three occasions a year. Governors have in place a policy which outlines clearly where decision making occurs. This Delegated Powers policy is revised on an annual basis.

The key areas considered by committees are:

- Finance and Premises Committee – finance, premises and related issues;
- Learning and Curriculum – curriculum and monitor standards;
- Personnel committee – monitor standards relating to student welfare, behaviour and attendance and staff recruitment and pay.

All 3 committees form admission panels meeting as demand for places dictates.

Terms of reference exist for each committee which will be reviewed annually.

The leadership and management of the School is organised through a Senior Leadership Team comprising the Headteacher, 2 Deputies, 2 Senior Assistant and 3 Assistant Headteachers. Agreed policies of the Governing Body are implemented by the team. The Trust/Governing Body delegate the leadership of the School to the Headteacher, delegation of powers is clearly defined. A Deputy Head is responsible for the day to day running of the Olney campus. The Headteacher meets with the finance team on a regular basis. The School has well-established quality assurance and control mechanisms, self-evaluation is embedded in School life.

The Governing Body work closely with the Senior Leadership Team to agree the aims, values and strategic priorities for the School. These are expressed through the vision document and inform the School Development Plan. The Headteacher, with support from the finance team, draw up a draft budget plan which is presented at the finance and premises committee and upon agreement put before the Governing Body for approval.

**Arrangements for setting pay and remuneration of key management personnel**

A pay policy and a detailed appraisal policy are in place. These are reviewed on an annual basis. The School uses the School Teachers' Pay and Conditions Document as a guide to formulating the pay policy. All those in key management roles are set a range of targets on an annual basis; this includes both teaching and support staff. The Headteacher carries out the appraisal of all such personnel. Pay increases are based on scales which are approved by the board. The Personnel Committee review these on an annual basis. The Headteacher's pay and remuneration is reviewed by a sub-group of the board which includes the Chair, Vice Chair and Chair of the Learning and Curriculum Committee and an external advisor. The external adviser gathers evidence to present to the Governors. Any remuneration is based on achieving targets. The Trustees have benchmarked key management personnel pay, teaching and non- teaching.

**Connected organisations, including related party relationships**

After an invitation to tender, Jackson Cole LLP won the bid and have been appointed as the project management company for the School's Newport Pagnell site development and improvement strategy plans. The Headteacher's husband is a partner of Jackson Cole LLP.

The Headteacher is a Trustee of Willen Hospice which is one of two named school charities.

Declarations of interests are declared at the beginning of each committee meeting.

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

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**Risk Management**

The Trustees have assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

A formal review of the Trust's risk management process is undertaken on an annual basis and key controls are in place.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The Governors vision is to create a culture of success to extend lifetime opportunities for young people and to do everything possible to encourage this. The School is recognised by Ofsted as Good with outstanding features, May 2016.

The aims of Ousedale School are to enhance and develop our Exceptional Learning Community through:

- high expectations and standards;
- nurturing a thirst for knowledge and a love of learning;
- excellent teaching;
- personalised support and guidance;
- broadening horizons and developing character;
- enriching opportunities for all;
- effective and creative partnerships with students, parents and our community.

The School motto is for the whole school community to **Aspire, Believe, Achieve**, i.e:

**Aspire**

Students, supported by staff and parents, are motivated to aim high in everything they do. They aspire to new heights: academically, practically and through the acquisition of new skills.

**Believe**

Students, with staff, develop resilience, independence and self-belief in their ability to lead and reach challenging targets.

**Achieve**

Students achieve outstanding results and share responsibility for their learning, enabling them to progress onto pathways of their choice, succeed in a competitive world and contribute to the success of the school.

Student roll - the total number on roll for the period 1 September 2016 to 31 August 2017 was 2,170.

Attendance - the attendance level achieved for the academic year 2016-17 was 95.6%.

Permanent exclusions - the aim is to have permanent exclusions only in exceptional circumstances. Ousedale School had 1 permanent exclusion during the period from 1 September 2016 to 31 August 2017.

Ousedale School values diversity and seeks to give everyone in the School an equal chance to learn, work and live, free from: fear, racism, discrimination, or prejudice.

Trustees contribute to the life of the School on a wider scale, acting as critical friends to support the School in becoming a nationally recognised centre of excellence.

**Equal opportunities policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The School aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

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

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**Public benefit**

The School governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties and defining the direction of the School.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Review of activities**

The academic examination results for the School are set out below:

1. 2017 GCSE (KS4 provisional) results were as follows:

Progress 8	+0.11
Attainment 8	50.9
Basics (good GCSE in English and maths)	78%

Progress in maths and English for all students- high, middle and low prior attainment is above national standards

2. 2017 A Level (KS5) results were as follows:

Progress measure A level	+0.05
A*-B	60%

**Key performance indicators**

The School received a favourable Ofsted report in May 2016, graded good with outstanding features.

The School uses a number of financial key performance indicators to monitor financial success of the school and progress/improvement against targets set.

Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2017, staffing costs amounted to 79.0% of total income (2016 – 74.5%).

The School also monitors its operating surplus or deficit as a percentage of total income. For the year ended 31 August 2017 the revenue funds surplus before adjustments for the defined benefit pension scheme equated to 1.8% of total income (2016 – 4.5%).

The School also uses a number of non-financial key performance indicators to monitor its performance. These include:

- GCSE and A Level pass rates; value added and progress measures (see above)
- Student attendance rates – for the year ended 31 August 2017

**Going concern**

After making appropriate enquiries, the Governing Body 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.

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

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**FINANCIAL REVIEW**

**Financial Review**

The School has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102. A deficit has been recognised at 31 August 2017. Future contribution rates are adjusted so as to reduce this deficit.

Ousedale School has received the majority of its income from the Education and Skills Funding Agency £10,058,610 (2016-£10,152,765). The balance of income over expenditure resulted in a revenue surplus before adjustments for the defined benefit scheme of £208,833 (2016 - £639,344). The surplus has been allocated to fixed asset funds, to fund the improvement to the ageing infrastructure of the school buildings.

**Financial risk management objectives and policies**

The principal financial management policies adopted in the year are:

- Conducting regular financial reviews of income and expenditure versus planned budgets at the Trustees' Finance and Premises Committee meetings;
- Consideration as to whether the financial income demonstrates a robust and stable position enabling the provision of sufficient quality resources to fulfil the School's educational obligations;

The School has also implemented systematic and detailed Responsible Officer checks in ICT and Finance. Outcomes and any identified risks are reported to the Finance Committee. The Trustees have assessed the major risks to which the School is exposed and a formal review of the Trust's risk management process is undertaken on an annual basis.

**Reserves policy**

The level of restricted reserves held at 31 August 2017 totalled £28,902,351 (2016 - £28,355,228) and unrestricted reserves total £655,974 (2016 - £551,356). Restricted funds include £32,267,500 (2016 - £32,022,448) in restricted fixed asset funds. A capital spending plan had been completed detailing short, medium and long term needs and plans of the School for which reserves will be allocated and determined in order of priority to meet the needs of the School.

Included within restricted funds at 31 August 2017 is the Local Government Pension Scheme deficit of £3,748,000 (2016 - £4,850,000). The pension deficit is viewed as a long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to two weeks' expenditure. Reserves currently stand at £1,038,825: £375,000 has been ring fenced to cover two weeks' emergency salary expenditure. There is also an emergency site fund and ICT investment fund. This minimises the risk going forward.

The remaining reserves carried forward at 31 August will be utilised as part of the medium and long term plans of the School to improve and update its educational resources, materials and equipment. Due to the age of the site at Newport Pagnell significant investment is required to upgrade these facilities which cannot be met by the School's reserves, the senior team submit bids on an annual basis to the ESFA.

A strategic development plan is prepared and reviewed each year by the Trustees in order that reserves can be prioritised and spent according to the needs of the School.



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

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**Investments policy**

Under the Memorandum and Articles of Association, the School has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis. An Investment policy is in place.

The aim of the policy is to ensure funds that the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the School's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The School does not consider the investment of surplus funds as primary activity, rather as a result of good stewardship as and when circumstances allow.

The School will after constructing and reporting forecasts versus budgets consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the School not to invest funds in this manner.

**Principal risks and uncertainties**

The School has implemented a Risk Management Policy, a risk register and risk review process. The objectives will be to determine an approach, and where it is considered necessary put in place measures of control and mitigation in order to manage risk.

The principal risks are producing a balanced budget with less funding, the loss of reputation through falling standards, falling student rolls and failure to safeguard the students of the School.

Key controls in place are:

- An organisational structure with defined roles, responsibilities and authorisation levels with terms of reference for the committees of the Governing Body;
- Financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- Formal written and published policies for employees;
- Vetting procedures as required by law for the protection of the vulnerable.

**PLANS FOR FUTURE PERIODS**

The aim is to provide a structure for maintaining high standards and achievement at all key stages.

Whole School objectives and plans for the 2017-18 year include:

- Submit funding bids to the ESFA on the highest priority health and safety issues;
- Maintaining the highest standards of teaching and learning;
- Ensuring we meet our financial obligations;
- Planning a curriculum to meet legislative change;
- Continuing to develop further excellence in leadership and management of teachers and associate staff;
- Development of Student Leadership.

In terms of the site facilities of the School, a site development programme is in place to ensure the School is maintained and updated to the highest of standards within funding constraints.

**FUNDS HELD AS A CUSTODIAN**

The School operates a School Fund account with a separate accounting system and bank account, for the purpose of managing income and expenditure for trips, activities and other events undertaken for students. The income and expense and fund balances are included the year end accounts of the School for the period ending 31 August 2017.

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

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Governors are aware:

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

**AUDITORS**

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

The Governors' Report was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



**Andrew Millburn**  
**Chair of Trustees**

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Ousedale Academy 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ousedale Academy 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 Governors' Report and in the Statement of Governors' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Andrew Millburn, Chairman	3	3
Susan Carbert, Head Teacher and Accounting Officer	3	3
Paul Collins	2	3
David Beaney	2	3
Vicki Beynon	2	2
Mandy Britnell	2	3
Allison Collis	0	2
Susan Rita Garner	2	3
Yolande Herbath	1	3
Clair King	0	3
Andrew Lawson	2	3
Hazel Leighfield	1	3
David Moulson, Chair of Personnel	2	3
Urvashi Parashar	1	3
Jennifer Parker	3	3
John James Stevenson	2	3

**Finance and Premises Committee**

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the Academy has an effective and appropriate system of control in place and to review policies, budgets and management accounts throughout the year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
David Beaney, Chair	5	8
Susan Carbert, Head Teacher and Accounting Officer	8	8
Paul Collins	6	8
Andrew Lawson	7	8
Andrew Millburn	7	8
Jennifer Parker	5	8
John James Stevenson	6	8

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**GOVERNANCE STATEMENT (continued)**

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**Learning and Curriculum Committee**

The Learning and Curriculum Committee is also a sub-committee of the main board of trustees. Its purpose is to monitor curriculum standards.

During the year D Moulson joined this committee in addition to the Personnel committee. A Collis who is a headteacher also joined the committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mandy Britnell, Chair (resigned 10 July 2017)	5	6
Allison Collis	3	4
Clair King	3	6
Hazel Leighfield	6	6
Andrew Millburn	5	6
David Moulson	5	6

**Personnel Committee**

The Personnel Committee is also a sub-committee of the main board of trustees. Its purpose is to monitor standards relating to student welfare, behaviour and attendance and staff recruitment and pay.

During the year V Beynon, who is a personnel development and resourcing manager, joined the committee. Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
D Moulson, Chair	4	5
V Beynon (appointed 10 January 2017)	3	3
S Carbert	5	5
S Garner	4	5
Y Herbath	4	5
A Millburn	4	5
U Parashar	5	5

**Governance Reviews**

The School conducts annual evaluations on the impact and effectiveness of the board. External training occurs for all trustees on a regular basis. Ofsted visited the school in May 2016 and rated governance good. A sub-group of the Finance Committee has carried out responsible officer checks and reported back to the senior team and the Committee.

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the School has an effective and appropriate system of control in place and to review policies, budgets and management accounts throughout the year.

**Review of Value for Money**

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

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

The educational outcomes of each year group are analysed by the leadership team and governors on an annual basis. Detailed analysis is prepared by each Head of Department and governors meet with those whose results are below that expected. We achieved outstanding results at GCSE & A Level in 2016/2017. The quality of teaching has continued to rise

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**GOVERNANCE STATEMENT (continued)**

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with a high proportion now outstanding. Value for money is achieved by the school committing to high quality CPD delivered by our own staff as part of their role.

The Academy tracking systems are fully embedded and provide staff with precise data for each individual student. This enables us to target interventions.

The Academy reviews expenditure on a monthly basis and reports to the Governors' Finance and Premises Committee 6 times a year. They challenge decision making and provide support. Due to the age of the Newport Pagnell site a significant proportion of the budget is set aside for emergency spending. The staffing structure is reviewed annually to ensure the 79% spent on staffing is managed.

Financial benchmarks against other academy trusts take place to demonstrate that the Trust provides good value for money.

Tender exercises are undertaken on key purchases to ensure we achieve best value. On occasion the Academy uses preferred suppliers, but these are re-assessed on a regular basis to ensure quotes remain competitive.

The Academy explores every opportunity to generate income through the hire of Academy facilities. Income is also generated from the lease of land to EE, mobile network operator.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Ousedale Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

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

**The Risk and Control Framework**

The Academy'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 Premises 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 Governors have appointed David Beaney and Jennifer Parker, Governors, to carry out internal checks.

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

- testing of finance systems; and
- testing of risk management.

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**GOVERNANCE STATEMENT (continued)**

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On an annual basis, the RO reports to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewers;
- the work of the external auditors;
- the work of the executive managers within the Academy 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 and Premises 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 11 December 2017 and signed on their behalf, by:



**Andrew Millburn**  
Chair of Trustees



**Susan Carbert**  
Accounting Officer

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the academy trust board of 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 2016.

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



**Susan Carbert**  
**Accounting Officer**

Date: 11 December 2017

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2017 and signed on its behalf by:



**Andrew Millburn**  
**Chair of Trustees**



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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUSEDALE SCHOOL**

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**Opinion**

We have audited the financial statements of Ousedale School for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

**Basis of opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUSEDALE SCHOOL**

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material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUSEDALE SCHOOL**

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Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
18 December 2017

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO OUSEDAL  
SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ousedale School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ousedale School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ousedale School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ousedale School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Ousedale School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Ousedale School's funding agreement with the Secretary of State for Education dated 18 July 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusions includes:

- Review of the general control environment and governance arrangements
- Review of Trust's activities and minutes of meetings
- Review of the register of interests and related party transactions ensuring compliance with the Financial Handbook
- For a sample of expenditure testing it has been properly authorised and complies with the approved procurement rules and policies
- Review of transactions and events to ensure compliance with delegations and freedoms as described in the Financial Handbook.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO OUSEDALE  
SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**Conclusion**

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

Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

18 December 2017

**OUSEDALE SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	3	1,000	-	43,454	44,454	45,524
Charitable activities	6	-	10,406,402	-	10,406,402	10,465,964
Other trading activities	4	1,018,503	-	-	1,018,503	752,138
Investments	5	12,291	-	-	12,291	25,398
<b>TOTAL INCOME</b>		<b>1,031,794</b>	<b>10,406,402</b>	<b>43,454</b>	<b>11,481,650</b>	<b>11,289,024</b>
<b>EXPENDITURE ON:</b>						
Raising funds		992,881	-	-	992,881	773,292
Charitable activities		-	10,721,482	702,546	11,424,028	10,811,226
<b>TOTAL EXPENDITURE</b>	7	<b>992,881</b>	<b>10,721,482</b>	<b>702,546</b>	<b>12,416,909</b>	<b>11,584,518</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>38,913</b>	<b>(315,080)</b>	<b>(659,092)</b>	<b>(935,259)</b>	<b>(295,494)</b>
Transfers between Funds	17	65,705	(969,849)	904,144	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>104,618</b>	<b>(1,284,929)</b>	<b>245,052</b>	<b>(935,259)</b>	<b>(295,494)</b>
Actuarial gains/(losses) on defined benefit pension schemes	22	-	1,587,000	-	1,587,000	(2,240,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>104,618</b>	<b>302,071</b>	<b>245,052</b>	<b>651,741</b>	<b>(2,535,494)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		551,356	(3,667,220)	32,022,448	28,906,584	31,442,078
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>655,974</b>	<b>(3,365,149)</b>	<b>32,267,500</b>	<b>29,558,325</b>	<b>28,906,584</b>

The notes on pages 23 to 42 form part of these financial statements.

**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07647327**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	14		32,267,500		32,022,448
<b>CURRENT ASSETS</b>					
Debtors	15	311,170		291,065	
Cash at bank and in hand		1,779,385		2,368,930	
		<u>2,090,555</u>		<u>2,659,995</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	(1,051,730)		(925,859)	
<b>NET CURRENT ASSETS</b>			<u>1,038,825</u>		<u>1,734,136</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,306,325</u>		<u>33,756,584</u>
Defined benefit pension scheme liability	22		(3,748,000)		(4,850,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>29,558,325</u>		<u>28,906,584</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	(3,365,149)		(3,667,220)	
Restricted fixed asset funds	17	32,267,500		32,022,448	
Total restricted income funds			<u>28,902,351</u>		<u>28,355,228</u>
Unrestricted income funds	17		655,974		551,356
<b>TOTAL FUNDS</b>			<u>29,558,325</u>		<u>28,906,584</u>

The financial statements were approved by the Governors, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



**Andrew Millburn**  
**Chair of Trustees**

The notes on pages 23 to 42 form part of these financial statements.

**OUSEDALE SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>302,308</u>	<u>269,865</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		12,291	25,398
Purchase of tangible fixed assets		(947,598)	(1,049,932)
Capital grants from DfE/ESFA		43,454	43,274
<b>Net cash used in investing activities</b>		<u>(891,853)</u>	<u>(981,260)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(589,545)</b>	<b>(711,395)</b>
Cash and cash equivalents brought forward		<u>2,368,930</u>	<u>3,080,325</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>1,779,385</u></u>	<u><u>2,368,930</u></u>

The notes on pages 23 to 42 form part of these financial statements.



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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ousedale School constitutes a public benefit entity as defined by FRS 102.

**1.2 Going concern**

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

**1.3 Company status**

The Academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

**1.4 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Income**

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

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

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

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

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

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

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

**1.6 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.7 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Freehold property	-	2% - 6.66% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	20% straight line
Computer equipment	-	33.3% straight line
Assets under construction	-	no depreciation is charged until the asset is complete

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.

**1.9 Debtors**

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

**1.10 Cash at Bank and in hand**

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

**1.11 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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.

**1.14 Agency arrangements**

The Academy acts as agent for administering the 16-19 Bursary funds from the ESFA. Transactions are excluded from from the Statement of Financial Activities with any unspent funds carried forward in creditors.

**1.15 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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**OUSEDALE SCHOOL**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Academy 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 22, 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Buildings valuation - land and buildings held for operation purposes are stated at depreciated replacement cost as at date of conversion. The valuation is considered annually for impairment.

Depreciation - depreciation is charged annually based on the management's estimate of economic useful life of the asset per the accounting policies above.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	1,000	-	-	1,000	2,250
Capital Grants	-	-	43,454	43,454	43,274
	<u>1,000</u>	<u>-</u>	<u>43,454</u>	<u>44,454</u>	<u>45,524</u>
<i>Total 2016</i>	<u>2,250</u>	<u>-</u>	<u>43,274</u>	<u>45,524</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	47,433	-	47,433	51,291
Music services income	63,275	-	63,275	47,159
School trips	468,850	-	468,850	261,452
Other income	26,996	-	26,996	29,390
Catering income	411,949	-	411,949	362,846
	<u>1,018,503</u>	<u>-</u>	<u>1,018,503</u>	<u>752,138</u>
<i>Total 2016</i>	<u>752,138</u>	<u>-</u>	<u>752,138</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank and deposit interest receivable	12,291	-	12,291	25,398
	<u>12,291</u>	<u>-</u>	<u>12,291</u>	
<i>Total 2016</i>	<u>25,398</u>	<u>-</u>	<u>25,398</u>	

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
ESFA grants	-	10,015,156	10,015,156	10,073,086
CIF funding	-	-	-	36,405
	<u>-</u>	<u>10,015,156</u>	<u>10,015,156</u>	<u>10,109,491</u>
<b>Other government grants</b>				
Pupil premium	-	271,458	271,458	264,014
	<u>-</u>	<u>271,458</u>	<u>271,458</u>	<u>264,014</u>
<b>Other funding</b>				
SEN funding	-	119,788	119,788	92,459
	<u>-</u>	<u>119,788</u>	<u>119,788</u>	<u>92,459</u>
	<u>-</u>	<u>10,406,402</u>	<u>10,406,402</u>	<u>10,465,964</u>
<b>Total 2016</b>	<u>-</u>	<u>10,465,964</u>	<u>10,465,964</u>	

**7. EXPENDITURE**

	Staff costs (note 11) 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	113,068	-	879,813	992,881	773,292
Activities:					
Direct costs	8,063,306	702,546	601,057	9,366,909	8,757,874
Support costs	896,001	-	1,161,118	2,057,119	2,053,352
	<u>9,072,375</u>	<u>702,546</u>	<u>2,641,988</u>	<u>12,416,909</u>	<u>11,584,518</u>
<b>Total 2016</b>	<u>8,412,380</u>	<u>731,657</u>	<u>2,440,481</u>	<u>11,584,518</u>	

In 2017, of the total expenditure, £992,881 (2016 - £773,292) was attributable to unrestricted funds and £11,424,028 (2016 - £10,811,226) was attributable to restricted funds.

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**8. DIRECT COSTS**

	Educational Activities £	Total 2017 £	Total 2016 £
Net pension finance costs - Note 22	106,000	106,000	113,000
Educational supplies	251,372	251,372	253,162
Examination fees	210,023	210,023	211,731
Staff development	33,662	33,662	31,560
Wages and salaries	6,157,574	6,157,574	5,872,153
National insurance	572,418	572,418	467,621
Pension cost	1,333,314	1,333,314	1,076,990
Depreciation	702,546	702,546	731,657
	<u>9,366,909</u>	<u>9,366,909</u>	<u>8,757,874</u>
<i>At 31 August 2016</i>	<u>8,757,874</u>	<u>8,757,874</u>	

**9. SUPPORT COSTS**

	Activities £	Total 2017 £	Total 2016 £
Recruitment and support	36,885	36,885	49,382
Maintenance of premises and equipment	204,272	204,272	301,962
Heat and light	190,596	190,596	167,638
Cleaning materials	17,260	17,260	19,491
Insurance	62,601	62,601	54,149
Catering	36,001	36,001	31,566
Bank charges	9,802	9,802	7,149
Security and transport	59,526	59,526	63,453
Other support costs	191,796	191,796	144,102
Technology costs	64,683	64,683	69,649
Rent and rates	96,062	96,062	81,214
Cleaning contract	179,069	179,069	167,392
Professional fees	1,540	1,540	1,125
Accountancy fees	1,575	1,575	1,530
Audit fees	9,450	9,450	9,170
Wages and salaries	717,432	717,432	718,822
National insurance	50,106	50,106	42,030
Pension cost	128,463	128,463	123,528
	<u>2,057,119</u>	<u>2,057,119</u>	<u>2,053,352</u>
<i>At 31 August 2016</i>	<u>2,053,352</u>	<u>2,053,352</u>	

During the year ended 31 August 2017, the academy incurred Governance costs of £12,565 (2016 - £11,825).



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	702,546	731,657
Auditors' remuneration - audit	9,450	9,170
Auditors' remuneration - other services	3,115	2,655
Operating lease rentals	36,906	39,922
	<u>752,017</u>	<u>783,404</u>

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**11. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	6,781,761	6,555,402
Social security costs	623,213	510,024
Operating costs of defined benefit pension schemes	1,474,354	1,212,662
	<u>8,879,328</u>	<u>8,278,088</u>
Apprenticeship levy	7,694	-
Severance payments	4,000	18,000
Supply staff costs	181,353	116,292
	<u>9,072,375</u>	<u>8,412,380</u>

Included within staff costs are non-contractual severance payments totalling £4,000 (2016 - £18,000). This was one individual payment (2016 - one individual payment).

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

	2017 No.	2016 No.
Teachers	139	142
Administration and support	122	125
Management	9	10
	<u>270</u>	<u>277</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	121	122
Administration and support	78	78
Management	8	9
	<u>207</u>	<u>209</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	5	5
In the band £ 70,001 - £ 80,000	1	0
In the band £ 80,001 - £ 90,000	0	1
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0

The key management personnel of the Academy comprise the trustees and Senior Leadership Team as listed on page 1. The total amount of employee benefits (including pension contributions and employer's national insurance) received by key management personnel for their services to the Academy was £769,820 (2016 - £809,354). Of this total, the employer's cost of national insurance amounts to £72,146 (2016 - £73,438).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. GOVERNORS' REMUNERATION AND EXPENSES**

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

		2017 £	2016 £
Susan Carbert, Head Teacher and Accounting Officer	Remuneration	130,000-135,000	125,000-130,000
	Pension contributions paid	20,000-25,000	20,000-25,000
Alan Murphy (staff trustee, resigned 28 February 2016)	Remuneration	-	15,000-20,000
	Pension contributions paid	-	0-5,000
Matthew Davies (staff trustee, resigned 10 September 2015)	Remuneration	-	0-5,000
	Pension contributions paid	-	0-5,000
John Stevenson (staff trustee)	Remuneration	15,000-20,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Viraj Sharma (staff trustee, resigned 20 July 2016)	Remuneration	-	20,000-25,000
	Pension contributions paid	-	0-5,000

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £nil).

**13. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included within the ESFA Risk Protection Arrangement, the cost of which is equivalent to £20 per pupil.

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**14. TANGIBLE FIXED ASSETS**

	Freehold property and land £	Fixtures and fittings £	Office equipment £	Computer equipment £	Assets under con- struction £	Total £
<b>Cost</b>						
At 1 September 2016	33,912,235	111,195	78,620	499,250	450,527	35,051,827
Additions	489,387	10,706	42,391	27,638	377,476	947,598
Transfer between classes	450,527	-	-	-	(450,527)	-
At 31 August 2017	34,852,149	121,901	121,011	526,888	377,476	35,999,425
<b>Depreciation</b>						
At 1 September 2016	2,584,637	41,828	30,420	372,494	-	3,029,379
Charge for the year	577,740	22,496	18,647	83,663	-	702,546
At 31 August 2017	3,162,377	64,324	49,067	456,157	-	3,731,925
<b>Net book value</b>						
At 31 August 2017	31,689,772	57,577	71,944	70,731	377,476	32,267,500
At 31 August 2016	31,327,598	69,367	48,200	126,756	450,527	32,022,448

Included in land and buildings is freehold land at valuation of £8,147,922 which is not depreciated.

**15. DEBTORS**

	2017 £	2016 £
Trade debtors	80,389	26,852
VAT Recoverable	91,978	143,039
Prepayments and accrued income	138,803	121,174
	<u>311,170</u>	<u>291,065</u>

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

	2017 £	2016 £
Trade creditors	204,245	305,495
Other taxation and social security	307,039	301,412
Other creditors	1,411	960
Accruals and deferred income	539,035	317,992
	<u>1,051,730</u>	<u>925,859</u>

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**16. CREDITORS: Amounts falling due within one year (continued)**

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	163,535	163,878
Resources deferred during the year	179,865	37,999
Amounts released from previous years	(163,535)	(38,342)
	<u>179,865</u>	<u>163,535</u>
Deferred income at 31 August 2017	<u>179,865</u>	<u>163,535</u>

Deferred income relates to ring fenced revenue funding, including the school fund of £70,974 (2016 - £68,738), music tuition of £43,668 (2016 - £37,310), a wider use grant of £622 (2016 - £nil), income received in advance for rates rebate £43,707 (2016 - £39,284), and catering income of £20,894 (2016 - £18,203).

**17. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General	489,508	562,944	(517,626)	97,439	-	632,265
School fund	61,848	468,850	(475,255)	(31,734)	-	23,709
	<u>551,356</u>	<u>1,031,794</u>	<u>(992,881)</u>	<u>65,705</u>	<u>-</u>	<u>655,974</u>
<b>Restricted funds</b>						
ESFA Grants	1,158,777	10,015,156	(9,832,344)	(962,204)	-	379,385
Pupil Premium fund	24,003	271,458	(284,350)	(7,645)	-	3,466
SEN Grants	-	119,788	(119,788)	-	-	-
Pension reserve	(4,850,000)	-	(485,000)	-	1,587,000	(3,748,000)
	<u>(3,667,220)</u>	<u>10,406,402</u>	<u>(10,721,482)</u>	<u>(969,849)</u>	<u>1,587,000</u>	<u>(3,365,149)</u>
<b>Restricted fixed asset funds</b>						
Building Valuation	27,106,501	-	(476,070)	-	-	26,630,431
ESFA and other capital grants	4,915,947	43,454	(226,476)	904,144	-	5,637,069
	<u>32,022,448</u>	<u>43,454</u>	<u>(702,546)</u>	<u>904,144</u>	<u>-</u>	<u>32,267,500</u>
Total restricted funds	<u>28,355,228</u>	<u>10,449,856</u>	<u>(11,424,028)</u>	<u>(65,705)</u>	<u>1,587,000</u>	<u>28,902,351</u>
Total of funds	<u>28,906,584</u>	<u>11,481,650</u>	<u>(12,416,909)</u>	<u>-</u>	<u>1,587,000</u>	<u>29,558,325</u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General	392,728	518,334	(494,478)	72,924	-	489,508
School fund	68,672	261,452	(278,814)	10,538	-	61,848
	<u>461,400</u>	<u>779,786</u>	<u>(773,292)</u>	<u>83,462</u>	<u>-</u>	<u>551,356</u>
<b>Restricted funds</b>						
ESFA Grants	1,613,832	10,109,491	(9,474,426)	(1,090,120)	-	1,158,777
Pupil Premium fund	26,673	264,014	(266,684)	-	-	24,003
SEN Grants	-	92,459	(92,459)	-	-	-
Pension reserve	(2,364,000)	-	(246,000)	-	(2,240,000)	(4,850,000)
	<u>(723,495)</u>	<u>10,465,964</u>	<u>(10,079,569)</u>	<u>(1,090,120)</u>	<u>(2,240,000)</u>	<u>(3,667,220)</u>
<b>Restricted fixed asset funds</b>						
Building Valuation	27,582,571	-	(476,070)	-	-	27,106,501
ESFA and other capital grants	4,121,602	43,274	(255,587)	1,006,658	-	4,915,947
	<u>31,704,173</u>	<u>43,274</u>	<u>(731,657)</u>	<u>1,006,658</u>	<u>-</u>	<u>32,022,448</u>
Total restricted funds	<u>30,980,678</u>	<u>10,509,238</u>	<u>(10,811,226)</u>	<u>(83,462)</u>	<u>(2,240,000)</u>	<u>28,355,228</u>
Total of funds	<u>31,442,078</u>	<u>11,289,024</u>	<u>(11,584,518)</u>	<u>-</u>	<u>(2,240,000)</u>	<u>28,906,584</u>

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

- i) Unrestricted Funds - represents funds available to the Trustees to apply for the general purposes of the Academy.
- ii) ESFA Grants - to be used for the normal running costs of the Academy.
- iii) Restricted fixed asset fund - this comprises fixed assets funded by government and other external grants.
- iv) The transfer from restricted ESFA grants to restricted ESFA capital grants relates to the shortfall of funding for capital expenditure.
- v) Pupil premium fund - ring fenced funding help to raise the attainment of disadvantaged pupils.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it can carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	32,267,500	32,267,500
Current assets	791,408	1,299,147	-	2,090,555
Creditors due within one year	(135,434)	(916,296)	-	(1,051,730)
Pension scheme liability	-	(3,748,000)	-	(3,748,000)
	<u>655,974</u>	<u>(3,365,149)</u>	<u>32,267,500</u>	<u>29,558,325</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	32,022,448	32,022,448
Current assets	675,508	1,984,487	-	2,659,995
Creditors due within one year	(124,152)	(801,707)	-	(925,859)
Provisions for liabilities and charges	-	(4,850,000)	-	(4,850,000)
	<u>551,356</u>	<u>(3,667,220)</u>	<u>32,022,448</u>	<u>28,906,584</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(935,259)	(295,494)
<b>Adjustment for:</b>		
Depreciation charges	702,546	731,657
Dividends, interest and rents from investments	(12,291)	(25,398)
(Increase) / decrease in debtors	(20,105)	15,748
Increase / (decrease) in creditors	125,871	(359,374)
Capital grants from DfE and other capital income	(43,454)	(43,274)
Defined benefit pension scheme cost less contributions payable	379,000	133,000
Defined benefit pension scheme finance cost	106,000	113,000
<b>Net cash provided by operating activities</b>	<u>302,308</u>	<u>269,865</u>

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

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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	1,779,385	2,368,930
Total	<u>1,779,385</u>	<u>2,368,930</u>

**21. CAPITAL COMMITMENTS**

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

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>52,369</u>	<u>457,086</u>



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

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2017.

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**

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. 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £805,398 (2016 - £803,604).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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.

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**22. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £379,000 (2016 - £351,000), of which employer's contributions totalled £290,000 (2016 - £267,000) and employees' contributions totalled £89,000 (2016 - £84,000). The agreed contribution rates for future years are 20% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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

	2017	2016
Retiring today		
Males	23.9	23.8
Females	26.0	26.2
Retiring in 20 years		
Males	26.2	26.1
Females	28.3	28.5

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	8,199,000	8,677,000
Discount rate -0.1%	8,567,000	9,062,000
Mortality assumption - 1 year increase	8,662,000	9,099,000
Mortality assumption - 1 year decrease	8,110,000	8,641,000
Salary rate +0.1%	8,408,000	8,903,000
Salary rate -0.1%	8,354,000	8,832,000

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,588,000	2,197,000
Gilts	449,000	523,000
Bonds	603,000	488,000
Property	342,000	329,000
Cash and other liquid assets	159,000	133,000
Other	492,000	347,000
Total market value of assets	<u>4,633,000</u>	<u>4,017,000</u>

The actual return on scheme assets was £436,000 (2016 - £404,000).

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

	2017 £	2016 £
Current service cost	(669,000)	(400,000)
Past service cost	277,423	254,856
Net interest cost	(106,000)	(113,000)
Total	<u>(497,577)</u>	<u>(258,144)</u>
Actual return on scheme assets	<u>436,000</u>	<u>404,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	8,867,000	5,573,000
Current service cost	669,000	400,000
Interest cost	195,000	223,000
Employee contributions	89,000	84,000
Actuarial (gains)/losses	(1,376,000)	2,644,000
Estimated benefits net of transfers	(63,000)	(57,000)
Closing defined benefit obligation	<u>8,381,000</u>	<u>8,867,000</u>

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**22. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening fair value of scheme assets	4,017,000	3,209,000
Return on plan assets (excluding net interest on the net defined pension liability)	89,000	110,000
Actuarial gains	211,000	404,000
Employer contributions	290,000	267,000
Employee contributions	89,000	84,000
Estimated benefits net of transfers	(63,000)	(57,000)
	<u>4,633,000</u>	<u>4,017,000</u>
Closing fair value of scheme assets	<u>4,633,000</u>	<u>4,017,000</u>

**23. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	48,519	36,906
Between 1 and 5 years	112,035	87,742
Total	<u>160,554</u>	<u>124,648</u>

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations 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 a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The spouse of Susan Carbert (Head Teacher and Accounting Officer) is a partner of Jackson Coles LLP, with a 8.7% holding. Tendering procedures regarding the contract were followed in accordance with the Academy's financial regulations, which Susan Carbert neither participated in, nor influenced. During the year ended 31 August 2017, the Academy purchased services totalling £40,020 (2016: £43,731) from Jackson Coles LLP. At 31 August 2017, £3,600 (2016: £8,018) was owed to Jackson Coles LLP.

**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.