

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Trustees' report and financial statements
for the period ended 31 August 2013

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

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OAKWOOD PARK GRAMMAR SCHOOL
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**Reference and administrative details of the academy, its trustees and advisers
for the period ended 31 August 2013**

Trustees

MICHAEL STEVENS MBE²
JULIE MURTON²
KEVIN MOODY^{1,2}
MARK HOUSDEN^{2,3}
DAVID BARBER (resigned)³
JOHN CORBYN (resigned)³
PAUL HARFLEET³
JONATHAN MITCHELL (resigned)^{1,3}
CAROLINE ROBINSON (resigned)^{1,3}
IAN THOMPSON (resigned)³
DARREN COMBER³
COLIN CAREY (appointed)^{1,3}
BRIAN CALDERWOOD^{1,3}
MATT DOLTON³
MOREL D'SOUZA³
GRAHAM TWIST^{1,3}
MAJORY CAINE³
JULIETTE ROBINSON³
JILL WILLIAMS³
PENNY SPILLER^{1,3}
DAVID HARRIS³
JANE JONES (resigned)³
PETER INGRAM (appointed)³
NIGEL EAGLETON (appointed)³
SIMON LAKE (appointed)³
JOHN WOOD (appointed)³

¹ Member of the Finance and General Purposes committee

² Member

³ Governor but not a Trustee

**Company registered
number**

07584611

**Principal and registered
office**

Oakwood Park
Maidstone
Kent
ME16 8AH

**Senior management
team**

KEVIN MOODY, Head Teacher
MARK HOUSDEN, Deputy Head Teacher
MICHELLE TIPP, Assistant Head Teacher
ANN LEWELL, Assistant Head Teacher
JUDITH BEVAN, Assistant Head Teacher
MARK SOLLY, Assistant Head Teacher
SARA BRYANT, Director of Resources

Independent auditors

Williams Giles Limited
Chartered Accountants
Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

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**Reference and administrative details of the academy, its trustees and advisers
for the period ended 31 August 2013**

Advisers (continued)

Bankers Nat West
3 High street
Maidstone
Kent
ME14 1XU

Solicitors Brachers LLP
Sommerfield House
59 London Rd
Maidstone
Kent
ME16 8JH

OAKWOOD PARK GRAMMAR SCHOOL
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Trustees' report
for the period ended 31 August 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Oakwood Park Grammar School (the academy) for the year ended 31 August 2013. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy trust.

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

Details of the trustees who served during the year are included in the Reference and Administrative Details

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Members may appoint up to 20 Directors (Trustees)

Staff Directors (Trustees) may be appointed by the Members but cannot exceed one third of the total number of Directors (Trustees). These Directors are appointed through election.

There will be a minimum of 2 Parent Directors (Trustees). The Parent Director (Trustee) must be a parent to a registered student of the Academy. These Directors are appointed through election.

The term of office for a Director (Trustee) shall be 4 years. The Director (Trustee) may be re-appointed or re-elected subject to eligibility. These governors are nominated and then approved and co-opted.

d. Policies and procedures adopted for the induction and training of Trustees

When appointed Directors (Trustees) will meet initially on a one to one basis with the Head Teacher. An induction process will follow and training via Governor Services as appropriate. The appointed Director will sit on committees dependent upon vacancy, availability, skills set and interests.

e. Organisational structure

The organisation details are available in the Terms of Reference. This includes Scheme of Delegation and individual Terms of Reference for committees.

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Trustees' report (continued)
for the period ended 31 August 2013

f. Connected organisations, including related party relationships

Oakwood Park Grammar School is not part of a wider network of schools.

Oakwood Park Grammar School Trust is a registered charity set up for the educational benefit of the students at Oakwood Park Grammar School and as such adheres to the regulations set down by the Charities Commission. Two Directors are also Trustees for the charity.

g. Risk management

The school has not been exposed to any major risks during the year. The school operates risk management throughout the year through stringent internal control systems. The school submitted the FMGE return in May 2012 including the Statement of Internal Control.

h. Trustees' indemnities

The indemnity provision is £2 million and is covered by Royal Sun Alliance.

i. Principal activities

The Academy's objective is specifically restricted to the advance for the public benefit education in the United Kingdom, in particular to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academy and offering a broad and balanced curriculum.

Objectives and Activities

a. Objects and aims

- High quality teaching that engages and challenges all students to become more independent and successful in their learning.
- Excellent standards of behaviour from all our students to create a positive climate for learning based on respect and tolerance of others.
- A wide range of exceptional opportunities for all our students to extend their learning beyond the classroom.
- Personalised Information and Guidance (IAG) for all our students at every stage of their school career and beyond so they can develop their learning and contribute to the wider community.
- Outstanding professional development opportunities for all our staff; they too are learners.

b. Objectives, strategies and activities

The objectives of the school as stated in the School Development Plan are:

- To continue to ensure that everything we do is led by the school's mission statement to create an Exceptional Learning Experience
- To continue to develop the school as an outward-looking community
- To secure the best possible resources for the school, deployed effectively to support learning

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Trustees' report (continued)
for the period ended 31 August 2013

During this year to achieve the objectives we have:

- Continued to progress with the in 3 year KS4 Curriculum
- Developed clear and co-ordinated Gifted and Talented programme
- Continue to increase % of A*/A at GCSE and A* – B at 'A' :Level
- Develop and enhance our enrichment provision so that all students are participating in sporting, music, drama and cultural activities
- Revamp our work related learning for students in KS4 and KS5 and continue to develop IAG provision
- Continue to develop Student Voice so it plays a major role in the evaluation of learning
- Continue to develop Assessment for learning within the school so all students know what they need to do to improve and move to the next level
- Monitor and review our mentoring of all students so everyone's individual needs are catered for
- Continue to develop the House System
- Foster and develop international links with other schools
- Continue the Sustainable School ethos
- Establish more links with schools and different organisations
- Sound budget management

c. Public benefit

The primary objective of Oakwood Park Grammar School is to provide education and establish, maintain and develop a broad and balanced curriculum for the general public. The Academy does not have to provide a financial return to shareholders.

The Directors have given careful consideration to the Charity Commission's general guidance on Public Benefit.

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

Oakwood Park Grammar School prepares the annual budget as per financial regulations. Each budget heading is analysed for previous expenditure trends and anticipated expenditure for the coming year before the final allocated amount has been decided.

During the year detailed monitoring is prepared on a monthly basis for all expenditure, including staffing. This is compared to the original/current budget set and any variances investigated.

Where appropriate, benchmarking against expenditure in similar organisations is completed.

Oakwood Park Grammar School uses Government performance tables to compare examination results and ranking with other similar Academies and Schools.

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Trustees' report (continued)
for the period ended 31 August 2013

c. Review of activities

One of the objectives of Oakwood Park Grammar School is to continue to increase % of A8/A at GCSE and A* - B at 'A' Level. The results for 2010 – 2013 are below showing a steady increase in performance:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
% Achieving 5 or more GCSE grades A8* - C	99.4	99	100	99
% Achieving 5 or more GCSE grades A8* - C inc. Maths and English	99	97	99	95
Mean GCSE points per student	578.6	594	594	560
% A*/A	48	46	52	41

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
A Level Points								
Average Points per student	284.5	305.7	299.5	297.4	267.1	294.1	323.2	352.4
Average Points per entry	89	92.9	91.9	89	86.7	95.8	93.7	95.6
% A*/A/B	50	58	52	53	51	63	60	63

Financial review

a. Financial and risk management objectives and policies

Oakwood Park Grammar School current liability for the LGPS Pension as shown on the balance sheet is £1,164,000 and this is the only principal financial risk the school has been exposed to.

The school maintains healthy cash flow and at this time there are no other financial risks.

b. Principal risks and uncertainties

As an Academy there are limited risks and uncertainties. The principal risk that could affect the Academy is:

- A reduction in funding and support from the EFA
- A reduction in student numbers attending Oakwood Park Grammar School.

c. Reserves policy

The rollover at August 2013 was £165,146 consisting of restricted and unrestricted funds and £41,748 restricted fixed asset cash at bank (excluding physical assets held). The rollover will support the coming budget.

d. Financial position

At the end of the financial year Oakwood Park Grammar School had an outturn position of £126,569 unrestricted rollover and £38,577 restricted rollover.

£4,605,948 was received from the Government and a further £193,639 was received from other grants and payments (both excluding capital).

Total expenditure (excluding capital) was £4,998,252.

£273,147 capital income was received, including ACMF funding and total capital expenditure was £221,658.

The total restricted and unrestricted rollover of £154,406 will be used to support the shortfall income due to sixth form funding.

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Trustees' report (continued)
for the period ended 31 August 2013

e. Material investments policy

Oakwood Park Grammar School does not have any investments. The decision on how to use the rollover is included during the budget setting process. Any excess rollover will be capitalised as required.

Plans for the future

a. Future developments

Oakwood Park Grammar School continues to develop a Building Development Plan which has prioritised building requirements and is currently seeking capital investment.

Funds held as custodian

Oakwood Park Grammar School Trust Fund is administered at Oakwood Park Grammar School. This fund operates outside of the school bank accounts and is a registered charity. The relevant accounts are submitted to the Charity Commission as required.

Disclosure of information to auditors


Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees on 20 November 2013 and signed on its behalf by:



MICHAEL STEVENS
Chair



KEVIN MOODY
Trustee

OAKWOOD PARK GRAMMAR SCHOOL
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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Oakwood Park Grammar School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
MICHAEL STEVENS MBE	3	3
JULIE MURTON	3	3
KEVIN MOODY	3	3
MARK HOUSDEN	3	3
DAVID BARBER	3	3
JOHN CORBYN	1	1
PAUL HARFLEET	3	3
JONATHAN MITCHELL	1	3
CAROLINE ROBINSON	0	1
IAN THOMPSON	0	1
DARREN COMBER	2	3
COLIN CAREY	2	3
BRIAN CALDERWOOD	2	2
MATT DOLTON	2	3
MOREL D'SOUZA	1	3
GRAHAM TWIST	3	3
MAJORY CAINE	3	3
JULIETTE ROBINSON	2	2
JILL WILLIAMS	3	3
PENNY SPILLER	1	3
DAVID HARRIS	2	2
PETER INGRAM	2	2
NIGEL EAGLETON	2	2
SIMON LAKE	2	2
JOHN WOOD	1	2

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Governance Statement (continued)

The **Finance Committee** is a sub-committee of the main governing body. Its purpose is to assist and support the governing Body, ensuring sound oversight is exercised over the management of the Academy's finances and resources.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
MICHAEL STEVENS MBE	3	3
KEVIN MOODY	3	3
JONATHAN MITCHELL	0	1
CAROLINE ROBINSON	1	1
COLIN CAREY	1	1
BRIAN CALDERWOOD	3	3
GRAHAM TWIST	2	3
PENNY SPILLER	2	3
PETER INGRAM	1	1

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 Oakwood Park Grammar School for the period 1 September 2012 to 31 August 2013 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 period 1 September 2012 to 31 August 2013 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the auditors report to the board of trustees on the operation

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Governance Statement (continued)

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 period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 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 20 November 2013 and signed on their behalf, by:



MICHAEL STEVENS
Chair



KEVIN MOODY
Accounting Officer

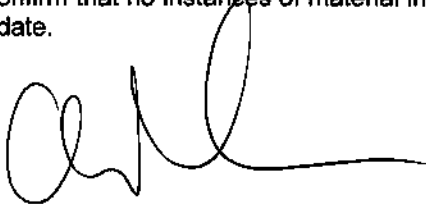
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Oakwood Park Grammar School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

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

A handwritten signature in black ink, appearing to read 'Kevin Moody', with a long horizontal flourish extending to the right.

KEVIN MOODY
Accounting Officer

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Trustees' responsibilities statement
for the period ended 31 August 2013

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

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

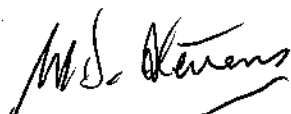
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 20 November 2013 and signed on its behalf by:



MICHAEL STEVENS
Chair

OAKWOOD PARK GRAMMAR SCHOOL
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Independent auditors' report to the members of Oakwood Park Grammar School

We have audited the financial statements of Oakwood Park Grammar School for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education 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 Auditors' 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 opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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Independent auditors' report to the members of Oakwood Park Grammar School

Matters on which we are required to report by exception

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

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



Alastair Crawford (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 25/12/13

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Independent reporting auditors' assurance report on regularity to Oakwood Park Grammar School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oakwood Park Grammar School during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Oakwood Park Grammar School's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Oakwood Park Grammar School's funding agreement with the Secretary of State for Education dated 26 April 2011, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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**Independent reporting auditors' assurance report on regularity to Oakwood Park Grammar School and
the Education Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 25/12/13

OAKWOOD PARK GRAMMAR SCHOOL
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Statement of financial activities
(incorporating income and expenditure account and statement of recognised gains and losses)
for the period ended 31 August 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Incoming resources						
Incoming resources from generated funds:						
Transfers on conversion	3	-	-	-	-	10,178,810
Activities for generating funds	4	111,720	79,460	-	191,180	268,238
Investment income	5	234	-	-	234	143
Incoming resources from charitable activities	6	-	4,608,173	273,147	4,881,320	6,667,508
Total incoming resources		111,954	4,687,633	273,147	5,072,734	17,114,699
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	116,045	-	-	116,045	233,618
Charitable activities		-	4,815,873	177,819	4,993,692	6,540,326
Governance costs	8	-	55,594	-	55,594	102,879
Total resources expended	11	116,045	4,871,467	177,819	5,165,331	6,876,823
Net incoming resources / (resources expended) before revaluations		(4,091)	(183,834)	95,328	(92,597)	10,237,876
Actuarial gains and losses on defined benefit pension schemes		-	(25,000)	-	(25,000)	(1,063,000)
Net movement in funds for the year		(4,091)	(208,834)	95,328	(117,597)	9,174,876
Total funds at 1 September 2012		130,660	(916,589)	9,960,805	9,174,876	-
Total funds at 31 August 2013		126,569	(1,125,423)	10,056,133	9,057,279	9,174,876

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 20 to 38 form part of these financial statements.

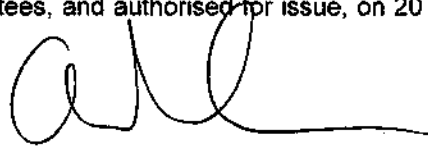
OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)
Registered number: 07584611

Balance sheet
as at 31 August 2013

		2013		2012	
Note	£	£	£	£	£
Fixed assets					
Tangible assets	18		10,014,385		9,960,805
Current assets					
Debtors	19	275,869		68,522	
Cash at bank and in hand		361,835		521,750	
		637,704		590,272	
Creditors: amounts falling due within one year	20	(430,810)		(282,201)	
Net current assets			206,894		308,071
Total assets less current liabilities			10,221,279		10,268,876
Defined benefit pension scheme liability	26	(1,164,000)		(1,094,000)	
Net assets including pension scheme liabilities			9,057,279		9,174,876
Funds of the academy					
Restricted funds:					
Restricted funds	21	38,577		177,411	
Restricted fixed asset funds	21	10,056,133		9,960,805	
Restricted funds excluding pension liability		10,094,710		10,138,216	
Pension reserve		(1,164,000)		(1,094,000)	
Total restricted funds			8,930,710		9,044,216
Unrestricted funds	21		126,569		130,660
Total funds			9,057,279		9,174,876

The financial statements were approved by the Trustees, and authorised for issue, on 20 November 2013 and are signed on their behalf, by:


MICHAEL STEVENS
Chair of Trustees


KEVIN MOODY
Trustee

The notes on pages 20 to 38 form part of these financial statements.

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Cash flow statement
for the period ended 31 August 2013

	Note	31 August 2013 £	Period ended 31 August 2012 £
Net cash flow from operating activities	23	71,483	726,427
Capital expenditure and financial investment		(231,398)	(204,677)
(Decrease)/Increase in cash in the year		(159,915)	521,750

Reconciliation of net cash flow to movement in net funds
for the period ended 31 August 2013

	31 August 2013 £	Period ended 31 August 2012 £
(Decrease)/Increase in cash in the year	(159,915)	521,750
Movement in net funds in the year	(159,915)	521,750
Net funds at 1 September 2012	521,750	-
Net funds at 31 August 2013	361,835	521,750

The notes on pages 20 to 38 form part of these financial statements.

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

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

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

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

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

1. Accounting policies (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Land and buildings were valued on the 1 May 2011 by DVS in accordance with the RICS Valuation Standards Global and UK, 7th Edition, as published by the Royal Institution of Chartered Surveyors, and this is the valuation used in the accounts.

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

Freehold property	-	2% SL
Fixtures and fittings	-	10% SL
Computer equipment	-	20% SL

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

1. Accounting policies (continued)

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.

1.8 Pensions

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

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 quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Donated services and gifts in kind

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

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

2. General Annual Grant (GAG)

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

The academy has not exceeded these limits during the period ended 31 August 2013.

3. Voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfers on conversion	-	-	-	10,178,810
Voluntary income	-	-	-	10,178,810

4. Activities for generating funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
School trips	111,720	-	111,720	170,487
GTP funding	-	63,311	63,311	71,500
Other income	-	16,149	16,149	26,251
	<u>111,720</u>	<u>79,460</u>	<u>191,180</u>	<u>268,238</u>

5. Investment income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Investment income - local cash	234	-	234	143

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

6. Funding for Academy's educational operations

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
GAG	-	4,485,118	4,485,118	6,255,789
Start-up grant	-	-	-	25,000
Other grants	-	69,861	69,861	154,894
Pupil Premium	-	48,725	48,725	-
	<u>-</u>	<u>4,603,704</u>	<u>4,603,704</u>	<u>6,435,683</u>
Other government grants				
SEN funding	-	-	-	25,216
Other government grants	-	4,470	4,470	4,606
	<u>-</u>	<u>4,470</u>	<u>4,470</u>	<u>29,822</u>
Other funding				
Capital grants	-	240,223	240,223	202,003
Devolved Capital formula	-	32,923	32,923	-
	<u>-</u>	<u>273,146</u>	<u>273,146</u>	<u>202,003</u>
	<u>-</u>	<u>4,881,320</u>	<u>4,881,320</u>	<u>6,667,508</u>

7. Costs of generating voluntary income

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
School trips	116,045	-	116,045	233,618
	<u>116,045</u>	<u>-</u>	<u>116,045</u>	<u>233,618</u>

8. Governance costs

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Auditors' remuneration	-	12,550	12,550	13,450
Legal and professional	-	43,044	43,044	89,429
	<u>-</u>	<u>55,594</u>	<u>55,594</u>	<u>102,879</u>

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

9. Direct costs

	Educational operations £	Total 2012 £
Educational supplies	164,262	197,444
Examination fees	91,392	169,504
Staff development	18,147	41,052
Educational consultancy	17,744	39,054
Other direct costs	89,620	44,792
Wages and salaries	2,752,221	3,713,071
National insurance	190,175	210,867
Pension cost	324,160	464,973
Depreciation	177,818	229,033
	<u>3,825,539</u>	<u>5,109,790</u>

10. Support costs

	Educational operations £	Total 2012 £
LGPS costs	33,000	51,000
Recruitment and support	28,345	28,783
Maintenance of premises and equipment	96,114	200,499
Cleaning	70,183	104,095
Rent & rates	33,263	33,796
Light & heat	73,499	71,121
Insurance	51,018	79,941
Catering	34,117	59,390
Bank charges	1,258	221
Computer costs	62,067	58,788
Other support costs	117,971	102,182
Wages and salaries	368,046	424,520
National insurance	57,268	32,200
Pension cost	142,004	184,000
	<u>1,168,153</u>	<u>1,430,536</u>

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

11. Analysis of resources expended by expenditure type

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Costs of generating voluntary income	-	-	116,045	116,045	233,618
Costs of generating funds	-	-	116,045	116,045	233,618
Direct costs	3,266,556	177,818	381,165	3,825,539	5,109,789
Support costs	567,318	-	600,835	1,168,153	1,430,536
Charitable activities	3,833,874	177,818	982,000	4,993,692	6,540,325
Governance	-	-	55,594	55,594	102,879
	3,833,874	177,818	1,153,639	5,165,331	6,876,822

12. Net incoming resources / (resources expended)

This is stated after charging:

	31 August 2013 £	Period ended 31 August 2012 £
Depreciation of tangible fixed assets: - owned by the charity	177,818	229,033
Auditors' remuneration	12,550	13,450

OAKWOOD PARK GRAMMAR SCHOOL
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Notes to the financial statements
for the period ended 31 August 2013

13. Auditors' remuneration

	31 August 2013 £	Period ended 31 August 2012 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	7,250	7,250
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	1,800	1,200
All other services	3,000	4,500
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
	31 August 2013 £	Period ended 31 August 2012 £
Fees payable to the academy's auditor and its associates in connection with the academy's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	500	500
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

OAKWOOD PARK GRAMMAR SCHOOL
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**Notes to the financial statements
for the period ended 31 August 2013**

14. Staff costs

Staff costs were as follows:

	31 August 2013	Period ended 31 August 2012
	£	£
Wages and salaries	3,120,267	4,137,591
Social security costs	247,443	243,067
Other pension costs (Note 26)	466,164	648,973
	<hr/> 3,833,874	<hr/> 5,029,631
Supply teacher costs	28,310	44,792
Compensation payments	33,000	-
	<hr/> 3,895,184 <hr/>	<hr/> 5,074,423 <hr/>

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	31 August 2013	Period ended 31 August 2012
	No.	No.
Teachers	57	53
Support staff	28	28
Management	8	8
	<hr/> 93 <hr/>	<hr/> 89 <hr/>

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

	31 August 2013	Period ended 31 August 2012
	No.	No.
In the band £60,001 - £70,000	4	0
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0
	<hr/> 8 <hr/>	<hr/> 2 <hr/>

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

15. Trustees' remuneration and expenses

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

	31 August 2013 £	Period ended 31 August 2012 £
K Moody	100,000-105,000	100,000-105,000
M Housden	80,000-85,000	75,000-80,000

16. Trustees' 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 £2,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

17. Other finance income

	31 August 2013 £	Period ended 31 August 2012 £
Expected return on pension scheme assets	40,000	45,000
Interest on pension scheme liabilities	(73,000)	(96,000)
	<u>(33,000)</u>	<u>(51,000)</u>

OAKWOOD PARK GRAMMAR SCHOOL
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Notes to the financial statements
for the period ended 31 August 2013

18. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2012	9,806,444	260,014	123,380	10,189,838
Additions	231,398	-	-	231,398
At 31 August 2013	<u>10,037,842</u>	<u>260,014</u>	<u>123,380</u>	<u>10,421,236</u>
Depreciation				
At 1 September 2012	162,117	34,015	32,901	229,033
Charge for the period	127,141	26,001	24,676	177,818
At 31 August 2013	<u>289,258</u>	<u>60,016</u>	<u>57,577</u>	<u>406,851</u>
Net book value				
At 31 August 2013	<u>9,748,584</u>	<u>199,998</u>	<u>65,803</u>	<u>10,014,385</u>
At 31 August 2012	<u>9,644,327</u>	<u>225,999</u>	<u>90,479</u>	<u>9,960,805</u>

19. Debtors

	2013 £	2012 £
Trade debtors	-	12,517
VAT debtor	100,434	13,342
Prepayments and accrued income	175,435	42,663
	<u>275,869</u>	<u>68,522</u>

**20. Creditors:
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	182,659	74,458
Other taxation and social security	74,593	73,279
Other creditors	61,387	57,778
Accruals and deferred income	112,171	76,686
	<u>430,810</u>	<u>282,201</u>

OAKWOOD PARK GRAMMAR SCHOOL

(A company limited by guarantee)

**Notes to the financial statements
for the period ended 31 August 2013**

**20. Creditors:
Amounts falling due within one year (continued)**

	£
Deferred income	
Deferred income at 1 September 2012	64,864
Resources deferred during the year	78,006
Amounts released from previous years	<u>(64,864)</u>
Deferred income at 31 August 2013	<u><u>78,006</u></u>

21. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	<u>130,660</u>	<u>111,954</u>	<u>(116,045)</u>	<u>-</u>	<u>-</u>	<u>126,569</u>
Restricted funds						
General Annual Grant (GAG)	177,411	4,485,118	(4,623,952)		-	38,577
Other DfE/YPLA grants	-	69,861	(69,861)	-	-	-
Pupil Premium	-	48,725	(48,725)	-	-	-
Other grants	-	4,470	(4,470)	-	-	-
Other generated funds	-	79,459	(79,459)	-	-	-
Pension reserve	(1,094,000)	-	(45,000)	-	(25,000)	(1,164,000)
	<u>(916,589)</u>	<u>4,687,633</u>	<u>(4,871,467)</u>	<u>-</u>	<u>(25,000)</u>	<u>(1,125,424)</u>
Restricted fixed asset funds						
Assets held for depreciation	9,960,805	-	(177,819)	231,399	-	10,014,385
Capital grants	-	273,147	-	(231,399)	-	41,748
	<u>9,960,805</u>	<u>273,147</u>	<u>(177,819)</u>	<u>-</u>	<u>-</u>	<u>10,056,133</u>
Total restricted funds	<u>9,044,216</u>	<u>4,960,780</u>	<u>(5,049,286)</u>	<u>-</u>	<u>(25,000)</u>	<u>8,930,709</u>
Total of funds	<u>9,174,876</u>	<u>5,072,734</u>	<u>(5,165,331)</u>	<u>-</u>	<u>(25,000)</u>	<u>9,057,279</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

OAKWOOD PARK GRAMMAR SCHOOL
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Notes to the financial statements
for the period ended 31 August 2013

21. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	130,660	111,954	(116,045)	-	126,569
Restricted funds	(916,589)	4,687,633	(4,871,467)	(25,000)	(1,125,423)
Restricted fixed asset funds	9,960,805	273,147	(177,819)	-	10,056,133
	<u>9,174,876</u>	<u>5,072,734</u>	<u>(5,165,331)</u>	<u>(25,000)</u>	<u>9,057,279</u>

22. Analysis of net assets between funds

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Tangible fixed assets	-	-	10,014,385	10,014,385	9,960,805
Current assets	126,569	469,387	41,748	637,704	590,272
Creditors due within one year	-	(430,810)	-	(430,810)	(282,201)
Provisions for liabilities and charges	-	(1,164,000)	-	(1,164,000)	(1,094,000)
	<u>126,569</u>	<u>(1,125,423)</u>	<u>10,056,133</u>	<u>9,057,279</u>	<u>9,174,876</u>

OAKWOOD PARK GRAMMAR SCHOOL
(A company limited by guarantee)

Notes to the financial statements
for the period ended 31 August 2013

23. Net cash flow from operations

	31 August 2013	Period ended 31 August 2012
	£	£
Net incoming resources before revaluations	(92,597)	10,237,876
Exceptional items	-	(9,985,162)
Depreciation of tangible fixed assets	177,818	229,033
Increase in debtors	(207,347)	(68,521)
Increase in creditors	148,609	282,201
FRS 17 adjustments	45,000	31,000
	71,483	726,427
Net cash inflow from operations	71,483	726,427
	31 August 2013	Period ended 31 August 2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(231,398)	(204,677)
	(231,398)	(204,677)

24. Analysis of changes in net funds

	1 September 2012	Cash flow	31 August 2013
	£	£	£
Cash at bank and in hand:	521,750	(159,915)	361,835
Net funds	521,750	(159,915)	361,835
	521,750	(159,915)	361,835

25. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

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26. 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 Kent County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and

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26. Pension commitments (continued)

2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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 period ended 31 August 2013 was £180,000, of which employer's contributions totalled £141,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

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26. Pension commitments (continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	6.60	705,000	5.90	482,000
Gilts	3.50	-	2.80	7,000
Other Bonds	4.40	118,000	3.90	89,000
Property	4.60	78,000	3.90	69,000
Cash	0.50	39,000	0.50	21,000
Target Return Portfolio	5.00	39,000	4.40	21,000
Total market value of assets		<u>979,000</u>		<u>689,000</u>
Present value of scheme liabilities		<u>(2,143,000)</u>		<u>(1,783,000)</u>
(Deficit)/surplus in the scheme		<u><u>(1,164,000)</u></u>		<u><u>(1,094,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	31 August 2013 £	Period ended 31 August 2012 £
Present value of funded obligations	(2,143,000)	(1,783,000)
Fair value of scheme assets	979,000	689,000
Net liability	<u><u>(1,164,000)</u></u>	<u><u>(1,094,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2013 £	Period ended 31 August 2012 £
Current service cost	(153,000)	(164,000)
Interest on obligation	(73,000)	(96,000)
Expected return on scheme assets	40,000	45,000
Past service cost	-	215,000
Total	<u><u>(186,000)</u></u>	<u><u>-</u></u>
Actual return on scheme assets	<u><u>117,000</u></u>	<u><u>77,000</u></u>

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26. Pension commitments (continued)

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

	31 August 2013 £	Period ended 31 August 2012 £
Opening defined benefit obligation	1,783,000	-
Current service cost	153,000	164,000
Interest cost	73,000	96,000
Contributions by scheme participants	39,000	50,000
Actuarial Losses	101,000	1,492,000
Past service costs	-	(19,000)
Estimated benefits paid net of transfers in	(6,000)	-
	<u>2,143,000</u>	<u>1,783,000</u>

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

	31 August 2013 £	Period ended 31 August 2012 £
Opening fair value of scheme assets	689,000	-
Expected return on assets	40,000	45,000
Actuarial gains and (losses)	76,000	429,000
Contributions by employer	141,000	184,000
Contributions by employees	39,000	50,000
Benefits paid	-	(19,000)
Estimated benefits paid net of transfers in	(6,000)	-
	<u>979,000</u>	<u>689,000</u>

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

	2013	2012
Equities	72.00 %	70.00 %
Gilts	- %	1.00 %
Other Bonds	12.00 %	13.00 %
Property	8.00 %	10.00 %
Cash	4.00 %	3.00 %
Target Return Portfolio	4.00 %	3.00 %

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

	2013	2012
Discount rate for scheme liabilities	4.70 %	3.90 %
Expected return on scheme assets at 31 August	5.90 %	5.20 %
Rate of increase in salaries	5.10 %	4.10 %
Rate of increase for pensions in payment / inflation	2.90 %	1.90 %
Inflation assumption (CPI)	2.90 %	1.90 %
RPI Increases	3.70 %	2.70 %

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26. Pension commitments (continued)

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

	2013	2012
Retiring today		
Males	20.1	20.0
Females	24.1	24.0
Retiring in 20 years		
Males	22.1	22.0
Females	26.0	25.9

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(2,143,000)	(1,783,000)
Scheme assets	979,000	689,000
Deficit	(1,164,000)	(1,094,000)
Experience adjustments on scheme liabilities	(101,000)	(1,492,000)
Experience adjustments on scheme assets	76,000	429,000

27. Operating lease commitments

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Between 2 and 5 years	4,080	-

28. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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.