

Company number: 06125927  
Charity number: 526636

# **OLDHAM HULME GRAMMAR SCHOOLS**

**(A Charitable Company Limited by Guarantee)**

## **REPORT AND ACCOUNTS**

**For the year ended 31 August 2016**

SATURDAY



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COMPANIES HOUSE

**CONTENTS**

	<b>Page</b>
School information	2
Governors' Report	4
Strategic Report	8
Independent Auditors' report	12
Statement of financial activities	14
Balance sheet	15
Cash flow statement	16
Notes to the financial statements	18

# Oldham Hulme Grammar Schools

## SCHOOL INFORMATION

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### **GOVERNORS**

V A K Srivastava LLB (Chairman)  
Mrs A Richards BSc, PGCE (Vice Chair)  
D M Meredith  
R S Illingworth BSc  
R Lobley MRICS  
A Milnes BA, FCA  
Mrs V Stocker LLB  
K Sanders  
J Sutcliffe BA, MEd, PGCE  
S A Corns MA  
Dr Z Chauhan MD, MRCGP

### **CLERK TO THE GOVERNORS**

I Martin BSc, FCA, FCMA

### **PRINCIPAL**

C J D Mairs MA

### **REGISTERED CHARITY NUMBER**

526636

### **COMPANY REGISTRATION NUMBER**

06125927

### **SCHOOL'S PRINCIPAL ADDRESS AND REGISTERED OFFICE**

Chamber Road  
Oldham  
OL8 4BX

### **AUDITORS**

Crowe Clark Whitehill LLP  
Chartered Accountants and Statutory Auditors  
3<sup>rd</sup> Floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

# Oldham Hulme Grammar Schools

## SCHOOL INFORMATION *(continued)*

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### **INVESTMENT ADVISORS**

James Sharpe & Co  
The Exchange  
5 Bank Street  
Bury  
BL9 0DN

### **PRINCIPAL BANKERS**

HSBC Bank  
109 Union Street  
Oldham  
Lancashire  
OL1 1RT

### **SOLICITORS**

Weightmans  
Pall Mall Court  
61-67 King Street  
Manchester  
M2 4PD

DrydensFairfax  
Shire House  
Humboldt Street  
Bradford  
BD1 5HQ

# Oldham Hulme Grammar Schools

## GOVERNORS' REPORT

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### INTRODUCTION

The Governors present their annual report for the financial year ended 31 August 2016 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Acts and Charities SORP 2015.

### NAME OF THE CHARITY

The name of the charity is "The Oldham Hulme Grammar Schools" but it operates as "Oldham Hulme Grammar School" and is referred to throughout this report as "the School".

### OBJECTS

The objects, as set out in the School's Memorandum and Articles of Association, are to advance the education of children and young people by the provision of schools in or near Oldham and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

The Mission Statement of the School is:

- To provide a school for families who are seeking all-round educational excellence
- A school which is educationally selective but not socially exclusive
- To deliver a modern education with traditional values

The School provides education to boys and girls from the age of 3 – 18 through its diamond structure consisting of: a co-educational kindergarten (3-7); single sex preparatory (7-11) and senior (11-16) schools; and a co-educational Sixth Form.

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and fee charging.

### STRUCTURE AND DELIVERY OF GOVERNANCE

The School in its present form was created in the 19<sup>th</sup> century by a scheme dated 28 November 1887 and was known as Hulme Grammar Schools, Oldham. The origins of a grammar school in Oldham can be traced back to 1611.

The School was incorporated as Oldham Hulme Grammar Schools, a company limited by guarantee Registered Number 6125927, with effect from 1 September 2007. The business of the School was transferred by way of a Business Transfer Agreement to the limited company from the unincorporated charity under the terms of a new Charity Commission Scheme dated 2 July 2007. The Charity Number, 526636, remained unchanged.

The Charity Commission scheme included a uniting direction that allows the assets retained by the original unincorporated charity (mainly the endowed funds) and those of the School transferred to the new company to be administered as if they were one. Accordingly these accounts present the combined assets of the unincorporated charity and the company limited by guarantee under the terms of the uniting direction. The company is the sole trustee of the unincorporated charity.

Responsibility for the School lies with a Board of Governors.

# Oldham Hulme Grammar Schools

## GOVERNORS' REPORT *(continued)*

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The Articles of Association allow a maximum of 17 Governors of which five should be nominated as representatives of the Oldham Metropolitan Borough Council (3), Rochdale Borough Council (1) and Tameside Borough Council (1). These nominated Governors are appointed for a term of three years. The remaining twelve Governors are elected by a general meeting of the Members. The Board seeks to ensure that elected Governors are drawn from a spread of educational, business and other backgrounds as well as maintaining a mix of genders and ages. There is a written policy for the induction and training of Governors, which includes the issue of appropriate documentation on joining, the declaration of willingness to serve, arrangements for briefings, the declaration of any potential conflicts of interest and information on the availability of training.

The Board of Governors meets a minimum of 3 times a year to consider matters of policy and strategy. The Finance and General Purposes Committee ("F & G P"), a sub-committee of the Board, also meets at least 3 times a year to exercise financial oversight and to prepare advice on other operational matters for the full Board. The Audit Committee meets as necessary to oversee the preparation and audit of the annual report and monitor internal financial controls. The Investment sub committee meets twice a year with the Investment Adviser in order to ensure that the School's investments are prudently and effectively managed. Governors also chair the School's Education and Health & Safety Committees which meet once per term. Small ad-hoc committees can also be established from time to time for specific projects.

Governors are recruited in order to ensure that the Board has a sufficiently broad range of skills to enable it to exercise oversight and provide advice on all aspects of the Schools operation. Potential elected Governors are interviewed by Board members and once they become a Governor they are provided with an induction process which includes meeting with the Principal and Bursar, the provision of key documents plus safeguarding and governance training. A record of all governor training is maintained by the Bursar to ensure that every Board member participates in both in-house and external training.

The remuneration of the Principal and Bursar is set by the Board with reference to benchmarking surveys. The remuneration of the Senior Management Team is agreed by Governors following the Principal's recommendation.

The Governors who have served during the year are:

# %	V A K Srivastava LLB	(Chairman)
# ^	A Richards BSc, PGCE	(Vice Chair)
!	K G Buckley MB, ChB	(Resigned 8 January 2016)
^	S A Corns MA	
# + \$	J E Halliwell	(Resigned 31 May 2016)
# +	R S Illingworth BSc	
# !	R B Lobley MRICS	
# + \$	D M Meredith	(Appointed 23 March 2016)
\$	A Milnes BA, FCA	
	K Sanders	
# ^	V Stocker LLB	
~	J Sutcliffe BA, MEd, PGCE	
#	A P Wild BA	(Resigned 20 January 2016)
~ !	Q Zaman	(Resigned 6 May 2016)
~ %	Z Chauhan MD, MRCP	

#	Finance and General Purposes Committee
^	Education Committee
+	Investment Committee
\$	Audit Committee
!	Health & Safety Committee
%	Parent of a pupil at the school
~	Representative Governor appointed by Oldham MBC

The Principal, C J D Mairs, and the Bursar, I Martin, are responsible to the Governors for the day to day management of the School. They are supported by the Senior Management Team which consists of

# Oldham Hulme Grammar Schools

## GOVERNORS' REPORT *(continued)*

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J C Budding	Deputy Principal Pastoral
N G H James	Deputy Principal Academic
D J Dalziel	Deputy Principal External Relations
Mrs R Knott	Head of Juniors
Miss C M Barnet	Head of Kindergarten

### **PUBLIC BENEFIT**

The School, which is already ethnically and socially diverse, has continued to make progress during the year on increasing the accessibility to a wider range of families.

The fees of 127 children were subsidised in full, or in part, in the academic year 2015/16 through means tested bursaries and the cost of these remissions, before any donations towards them, amounted to £699,000 equivalent to 9.1% of gross tuition fees.

The Governors seek to keep the fee level low to ensure that the School is accessible to as many families as possible but must be mindful of the need to recruit and retain high calibre staff, to invest in the buildings and facilities of the schools.

The School's facilities are made available to sports clubs and other groups when not required by the pupils. Examples during this period include:

- Use of the Sports Hall by local football, cricket, netball and table tennis clubs, and to host district competitions in these sports.
- Use of the School's hall by the Oldham Symphony Orchestra, and a religious group
- Use of the swimming pool by local clubs
- Use of the School playing fields by local schools
- Pupils participated in the Duke of Edinburgh awards scheme organised by the School as part of which they provided service to the community
- Running a Maths Club with Gifted and Talented children from local primary schools in order to extend their curricular experience
- Use of school facilities for examination purposes by the Associated Board of the Royal Schools of Music

The School also makes contributions to education in a wider sense with a number of the teaching staff acting as Examiners or Moderators. In addition the School works with Manchester University by giving undergraduate student teachers full placements through the Initial Teacher Training Programme.

Hulme sixth form students have undertaken many hours of voluntary work during this academic year and have been awarded certificates acknowledging the time they have given to the community. Students have helped out in nursing homes, hospitals, hospices, primary schools and charity shops and with activities such as teaching swimming, accompanying autistic children on trips, entertaining the local community, working in a local library and many other activities. Most of these students have also played a major role in assisting teachers in many ways within Hulme, particularly as form helpers to junior classes in the two senior schools.

Each of the constituent parts of the School continue to be involved with raising awareness of and financial support for those less fortunate than themselves both at home and abroad. During the year the following charities have benefited from the care and generosity of our pupils, staff and families: Macmillan Cancer Support; Children In Need, Jeans4Genes, Francis House, Save The Children, Sports Relief and the Friends of Tafo which is linked to our adopted school in Ghana.

# Oldham Hulme Grammar Schools

## GOVERNORS' REPORT *(continued)*

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### RESPONSIBILITIES OF GOVERNORS/DIRECTORS

The Governors (who are also directors of Oldham Hulme Grammar Schools for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### CHILD PROTECTION

The School is committed to maintaining thorough and continuing Child Protection policies and procedures in accordance with legislation and good practice.

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Governors who were in office on the date of the approval of these financial statements have confirmed that as far as they are aware there is no relevant audit information of which the auditors are unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

### AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditors.

By order of the Board



**V A K Srivastava**  
Chairman

30/11/ 2016



# Oldham Hulme Grammar Schools

## STRATEGIC REPORT

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### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

#### Staff Changes

Mr Peter Wood retired after having taught PE at Hulme for 44 years. Generations of boys are indebted to him for his commitment and passion for sport; an enthusiasm which he has passed on to countless others. Mrs Kate Gregson retired after 34 years' service and the school thanks her for all her efforts both in teaching Biology and Psychology, and in her excellent work in the sixth form. They are joined by our Director of Music Mr Gary Hulme, a key figure in school music over 29 years. Gary's superb musicianship will be missed not just in the classroom, but in directing choral works and school shows. Mr Hulme is succeeded by Mr Duncan Robertson as Director of Music in September. Mrs Christine Headdock (Languages) and Mrs Karen Boswell (Head of Psychology) begin their retirement after successful teaching careers. Mrs Headdock is replaced in Languages by Miss Victoria Pastor from Bury Grammar School, and Mrs Boswell as Head of Psychology by Mr Dave Berry from Bolton School. Earlier this year also saw the retirement of Mrs Wendy Maitland who joined Hulme in 1992.

There were also a number of staff moving on from Hulme last summer to begin new challenges. They are: Mrs Carol Wilkinson who joined in 1996 and has served in a number of key roles; latterly as Deputy Principal Prep. Mr Goodwin secured a promoted post as Head of Languages at a school in London. From September Miss Shepherd has taken up the post of Teacher in Charge of French in the Modern Languages. Also moving on from Hulme are Mr Sykes who has served admirably in the Classics Department for 10 years, Mr Greg Jones in Chemistry and Mrs Kenney in Food. Dr Chris Millington has joined the Chemistry department in September. Miss Laura Malcolm left as the England netball infrastructure moved to Loughborough University.

A new Senior Management Team was put in place and Mr John Dalziel (Deputy Principal – External Relations), Miss Carolyn Barnett (Head of Kindergarten) and Mrs Rebecca Knott (Head of Juniors) have moved into new roles.

A new sixth form team is in place to ensure that our students fulfil their potential at A Level. From September Mr Rawlings takes up his post as Head of Year 13 and Mrs Longley will be Head of Year 12. Completing the sixth form team are Mrs Travis, our experienced Head of Careers, and Miss Plews who takes up the new post of Sixth Form Academic Mentor, with a brief of working closely with individual students to improve their study skills.

#### Academic Success

Year 13 students have achieved the school's best set of A Level results in over ten years. The % of top grades (A\*-B) rose by a fantastic 10% to 70. The % of A\* grades (11%) and the overall pass rate (99.6%) were also up this year.

There was also much to celebrate at GCSE as Year 11 achieved another excellent set of results this summer. The overall pass rate rose to 97%, with 98% of students achieving the national benchmark of 5 A\*-C grades including English and Maths. This figure is up 2% from 2015 and 4% from 2014. The % of A\*/A grades rose by 5% to a 5 year high with over half of all grades (54%) at this level. The % of A\* grades also rose to 18%. 43% of Hulme's Year 11 achieved at least 7 A\*/A grades which qualifies them for a scholarship award to enter Hulme's sixth form, including 28 students who gained 9 or more A\*/A grades, 20 who achieved 10 or more A\*/A grades, and 11 who scored 11 or more A\*/A grades. These excellent results, the best since the creation of our joint sixth form reflect the dedication and talent of both our students and staff. The students can be very proud of their efforts and deserve to celebrate their success.

As a signal of how the School values academic excellence Governors are again able to offer academic scholarships for entry to Year 7 next September. This year these will be awarded to the top 10 students on our entrance examination on an incremental scale, up to a value of £4,000.

### DEVELOPMENT OF THE SCHOOL'S SITES

The School, which is now a Google for Education Reference School, continued to develop the use of Chromebooks for teaching during the year and they are now being used by every year group in the Senior School as well as the Prep School. The installation of a new boiler system in the Senior School

# Oldham Hulme Grammar Schools

## STRATEGIC REPORT

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building was completed early in the Autumn term. The project, which had a total cost of £270,000, included a state of the art boiler management system to give a much more efficient control of temperature throughout the building.

During the Summer term a major refurbishment of the Science Centre commenced which was completed early in the new academic year. This provided state-of-the-art teaching laboratories for both the Physics and Chemistry departments at a project cost of £500,000.

### INVESTMENT POWERS AND POLICY

The Governors retain the services of an Investment Adviser who advises on the performance of the Charity's investment assets and provides recommendations to meet the investment objectives.

The School's investments are managed by the Investment Committee acting with the advice of the Investment Adviser. The Governors make all the decisions on investments in accordance with the School's investment policy which seeks to maximise income without undue risk. Over the last few years the Committee has continued to improve the yield from the investment portfolio by selling some of the lower yielding investments and re-investing in higher yielding stocks and bonds. The Committee also reviews the social and ethical aspect of the portfolio as the investment policy requires that the School should not invest in any company whose business would be detrimental to the image or objectives of the School.

### ACHIEVEMENTS AND PERFORMANCE

The School's main objectives for the year as detailed in last year's Governors Report were as follows:

- The provision of improved sports facilities, including an all-weather pitch
- Refurbishment of the Chemistry Block
- Fundraising to support the planned developments and increased bursary support
- Continued investment in the Google teaching and learning platform

Although no progress has yet been made on an all-weather pitch as noted above the refurbishment of the Chemistry block into the new Science Centre was completed and the Chemistry and Physics department took over the building in September 2016.

Fundraising efforts have continued during the year with various activities including alumni meetings in both Manchester and London which were both well supported.

The use of the Google platform in the classroom has been further developed with every year group in the Senior School now using Chromebooks as a learning tool. The School was awarded the Google for Education Reference School status during the year.

Academically the School had an excellent year and pupils' achievements in the 2016 public examinations were the best in recent years. The amount of bursary and scholarship awards increased in the year so that the School can enable a wider range of pupils to take advantage of a high quality education.

The Governors believe that the most important Key Performance Indicator for the strategic management of the School is pupil numbers. Various changes have been made to seek to improve pupil recruitment and these are noted in the Risk Management section below.

In overall terms the School's operational performance did not meet the financial forecast for the year for two main reasons. Firstly the pupil roll in September 2015 was around 30 pupils less than budget which had a substantial effect on fee income. Secondly a strategic review of staffing was undertaken by the Principal which led to a re-structuring of the Senior Management Team and some changes to academic staffing. This meant that there were termination payments of £116,000 which had not been budgeted. However there was also an unbudgeted receipt of a legacy of £187,000 which offset these items. The School continues to face the difficulty of recruiting pupils from the Oldham area where there has been a major decline in traditional industries with a knock on effect upon parents' ability to pay school fees.

### INVESTMENT PERFORMANCE

The School's investment performance exceeded the targets set by the Investment Committee. The main objective was an income return of 3.5% and 4.3% was the outcome for the year.

### FINANCIAL PERFORMANCE TRENDS AND RESERVES

The School had a deficit of £67,194 (2015 adjusted deficit of £317,756). The net income from tuition fees amounted to £7,088,152 which was down on the previous year due to a fall in the pupil roll. Income from Donations was £311,096 of which £100,000 was a receipt from the Stoller Trust. Total Resources Expended amounted to £8,384,555 compared to £8,140,550 in 2015. This resulted in an operating deficit of £277,775. There was a loss of £16,883 on the sale of a freehold building during the year but the value of the School's investment portfolio rose by £227,464 during the year.

On the Balance Sheet the additions to Fixed Assets amounted to £525,042, a significant part of which was the installation of the new boilers in the Senior School building noted above. Another major element was £232,000 of expenditure, approximately half of the project sum, spent on the refurbishment of the Science Centre. The Debtors balance rose by £61,224 and Creditors increased by £192,562 principally because of an increase in fees paid in advance. As a result of the adoption this year of FRS 102 the School has made provision for the future payments of the deficit recovery levy that is paid as a result of the valuation deficit on the support staff defined benefit pension scheme. This is detailed further in Note 23. The School had a cash outflow from operating activities of £430,662 and there was an outflow from investing activities of £81,640 which was mainly the result of the higher level of capital expenditure. The total net outflow of £512,302 was then offset by Donations of £311,096 which resulted in a £201,206 reduction in cash balances.

The Governors have reviewed the preparation of these accounts using the Going Concern basis. The wider financial climate has had an impact on pupil numbers but they have taken into account the fact that the School has consistently reduced its costs in recent years and also has cash resources. The Governors are therefore satisfied that the Going Concern basis is appropriate.

The Governors aim is to have free reserves of a minimum of 10 weeks expenditure, approximately £1.5 million, available to cover the worst case scenario. At the Balance Sheet date free reserves amounted to £(924,000). It is the Governors' intentions to seek to move to generating a surplus on the School's trading so that they can create the reserves at the stated level.

### RISK MANAGEMENT

The Board of Governors is responsible for the management of risks faced by the School. Operational management of these risks is delegated to the Finance & General Purposes Committee and the Health & Safety Committee. Procedures have been established to identify, assess and control risks.

The key controls used include:

- Formal agendas for all Board and Committee meetings
- A clearly defined committee structure
- A clear organisational structure and lines of reporting
- Detailed delegated powers
- Financial controls including long and short term forecasting and monthly management accounting
- Vetting and interview procedures as required by law for the protection of children
- Regular review of the strategic risks faced by the Schools and the control measures in place to deal with them
- Medium term strategic planning

The Board has considered the major strategic risks facing the School and has prepared a risk analysis which is reviewed regularly at Board meetings. The Governors consider that the most significant risks facing the School currently are:

- Pupil numbers
- Political change
- Regulatory compliance

# Oldham Hulme Grammar Schools

## STRATEGIC REPORT

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In each case the potential risks under these categories have been detailed, the potential impact on the School assessed and existing controls noted. Any further actions needed to further mitigate the risks have also been identified. These include:

### **Pupil numbers**

A new Admissions Officer has been appointed, a new marketing strategy is being implemented which includes looking at overseas recruitment and the Governors have approved more bursaries and scholarships.

### **Political change**

The School has strengthened links with local and national agencies.

### **Regulatory compliance**

The School has instituted a procedure for the Senior Management Team and the Board to monitor and approve regulatory requirements.

## **PLANS FOR FUTURE PERIODS**

The Governors continue to explore ways of enhancing the School's performance and bringing in additional pupils. Following the re-organisation of the Senior Management Team the Board has identified the following key areas for further exploration and development:

- The provision of improved facilities, including an all weather pitch
- Links with China and partnership with a Chinese school
- The best structures for the delivery of education at all levels in the School
- Continued investment in the Google teaching and learning platform

By order of the Board



**V A K Srivastava**  
**Chairman**

30/11/16

# Oldham Hulme Grammar Schools

## INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2016

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We have audited the financial statements of Oldham Hulme Grammar Schools for the year ended 31 August 2016 set out pages 14 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Governors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

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


**Oldham Hulme Grammar Schools**  
**INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

- adequate accounting records have not been kept; or
- 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.

  
Vicky Szulist

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

3<sup>rd</sup> Floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

*7th February 2017*

**Oldham Hulme Grammar Schools**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income & Expenditure Account)  
for the year ended 31 August 2016

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2016	Total 2015
		£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable Activities</b>						
School Fees	2	7,088,152	-	-	7,088,152	7,157,585
Ancillary trading	3	395,272	-	-	395,272	376,748
Investment income	6	2,131	294,771	-	296,902	301,105
Grants and donations	4	211,096	100,000	-	311,096	152,509
Other activities	5	15,358	-	-	15,358	18,547
<b>TOTAL INCOMING RESOURCES</b>		<b>7,712,009</b>	<b>394,771</b>	<b>-</b>	<b>8,106,780</b>	<b>8,006,494</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Education and grant making		7,829,168	492,771	62,616	8,384,555	8,140,550
<b>TOTAL EXPENDITURE</b>	8	<b>7,829,168</b>	<b>492,771</b>	<b>62,616</b>	<b>8,384,555</b>	<b>8,140,550</b>
<b>NET OUTGOING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS</b>						
(Loss)/gain on investment property		(117,159)	(98,000)	(62,616)	(277,775)	(134,056)
Gains on investments		(16,883)	-	-	(16,883)	184,880
		-	227,464	-	227,464	(368,580)
<b>MOVEMENT IN FUNDS</b>		<b>(134,042)</b>	<b>129,464</b>	<b>(62,616)</b>	<b>(67,194)</b>	<b>(317,756)</b>
Fund balances brought forward at 1 September 2015		3,174,973	6,372,915	2,701,490	12,249,378	12,567,134
<b>FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2016</b>	16	<b>3,040,931</b>	<b>6,502,379</b>	<b>2,638,874</b>	<b>12,182,184</b>	<b>12,249,378</b>

The notes on pages 18 to 34 form part of these accounts.

# Oldham Hulme Grammar Schools

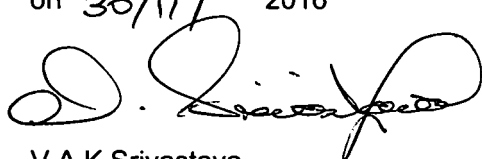
## BALANCE SHEET

31 August 2016

Company Registration No: 06125927

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	6,409,380	6,403,486
Investments	10	6,793,566	6,525,110
		<b>13,202,946</b>	<b>12,928,596</b>
<b>CURRENT ASSETS</b>			
Debtors	11	504,236	443,012
Cash at bank and in hand		297,414	498,620
		<b>801,650</b>	<b>941,632</b>
<b>CREDITORS: Amounts falling due within one year</b>	12	<b>(1,354,412)</b>	<b>(1,161,850)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(552,762)</b>	<b>(220,218)</b>
<b>LONG TERM LIABILITY</b>			
Provision for pension deficit levy	14	(468,000)	(459,000)
<b>TOTAL NET ASSETS</b>		<b>12,182,184</b>	<b>12,249,378</b>
<b>FUNDS</b>			
Endowed Funds	15	2,638,874	2,701,490
Restricted Funds	15	6,502,379	6,372,915
Unrestricted Funds	15	3,040,931	3,174,973
		<b>12,182,184</b>	<b>12,249,378</b>

The financial statements were approved and authorised for issue by the Board of Governors on 30/11/2016



V A K Srivastava  
Chairman of Governors



D M Meredith  
Treasurer

The notes on pages 18 to 34 form part of these accounts.



**Oldham Hulme Grammar Schools**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 2016

	Note	2016	2015
		£	£
<b>NET CASH OUTFLOW FROM OPERATIONS</b>	I	<b>(430,662)</b>	<b>(207,402)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income receipts		296,902	301,105
Payable for tangible fixed assets		(525,042)	(144,780)
Proceeds of disposal of freehold building		187,492	207,480
Investment in shares and long term deposits		(426,581)	-
Proceeds from sale of investments		385,589	96,356
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>(81,640)</b>	<b>460,161</b>
		<b>(512,302)</b>	<b>252,759</b>
<b>FINANCING</b>			
Donations		311,096	152,509
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>(201,206)</b>	<b>405,268</b>
Cash and cash equivalents at the beginning of the year		498,620	93,352
Cash and cash equivalents at the end of the year	II	297,414	498,620

**I. Reconciliation of net income to net cash outflow from operating activities**

	2016	2015
	£	£
Net outgoing resources	(277,775)	(151,056)
Non-operating cashflows eliminated:		
Investment income	(296,902)	(301,105)
Donations	(311,096)	(152,509)
Depreciation	314,773	290,019
Increase in debtors	(61,224)	(34,845)
Increase in creditors	192,562	142,094
Increase in long term liability	9,000	-
<b>NET CASH OUTFLOW FROM OPERATIONS</b>	<b>(430,662)</b>	<b>(207,402)</b>

**Oldham Hulme Grammar Schools**  
**CASH FLOW STATEMENT**  
for the year ended 31 August 2016

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**II. Analysis of cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>287,165</b>	490,573
Deposits	<b>10,249</b>	8,047
	<b><u>297,414</u></b>	<b><u>498,620</u></b>

The notes on pages 18 to 34 form part of these accounts.

# Oldham Hulme Grammar Schools

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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### **1. Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the Companies Act 2006 and the 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) - effective 1 January 2015. The date of transition to FRS102 was 1 September 2014 and the last accounts prepared under the previous Statement were for the year ended 31 August 2015. In preparing the financial statements, the Trustees have considered whether the accounting policies required by the standard require the restatement of comparative information. A reconciliation of the changes to the previously report position as a result in these changes to policies is included in note 23 to these financial statements.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 23 February 2007 (company number: 06125927) and registered as a charity on 11 August 1966 (charity number: 526636). The Registered Office is

Chamber Road  
Oldham  
OL8 4BX

The School continues to attract pupils although pupil numbers have fallen due to the current economic climate. The School manages operational cash flow to make best use of available resources. Investments held as fixed assets and surplus buildings can be liquidated if necessary. Overall the governors consider that there were no material uncertainties over the School's financial viability and are confident that the School has sufficient resources to continue as a going concern.

#### **1.2 Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated gross of the staff remissions granted by the school from its unrestricted funds, and include contributions received from Restricted Funds for Bursaries, Scholarships and other grants.

#### **1.3 Investment income**

Investment income is accounted for in the period in which the charity is entitled to the receipt.

#### **1.4 Donations and legacies**

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors, except that any amounts required to be retained as capital in accordance with the donor's wishes are accounted for instead as Endowments – permanent or expendable according to the nature of the restriction. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

# Oldham Hulme Grammar Schools

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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### 1.5 Foundation account

Income from the Hulme Trust is credited to resources available as it is received.

### 1.6 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. All items of expense are inclusive of value added tax where applicable. Charitable activities include expenditure associated with the objects of the School and include both the direct costs and support costs of the activity. Governance costs include those costs associated with constitutional and statutory requirements of running the School.

### 1.7 Operating lease

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line over the term of the lease.

### 1.8 Capitalisation and depreciation

#### Capitalisation

School buildings (constructed since 1897) and land have been capitalised at cost and have not been revalued. The costs of keeping these buildings in fit and useful condition are written off as incurred.

All purchases of tangible fixed assets costing more than £1,000 are capitalised at cost.

#### Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices evenly over their expected useful economic lives as follows:

Land and buildings	50 years
Motor vehicles	4 years
Computer equipment	4 years
Fixtures, fittings and equipment	10 years

### 1.9 Investments

Investments held as fixed assets are shown in the Balance Sheet at their market value at that date. Changes in the valuation of investments during the year are shown as unrealised gains or losses. Gains and losses arising from the disposal of assets are disclosed as realised being the difference between the sales proceeds and the market value at the beginning of the year.

Investments in subsidiaries are valued at cost less provision for impairment.

### 1.10 Pensions

The Charity contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The Charity also contributes to a scheme for support staff known as the CARE defined benefit scheme which is operated by the Pensions Trust. Pension contributions are charged against revenue in the year in which the liability arises.

**1.11 Fund accounting**

Funds held by the Charity are:

Unrestricted general funds – these are funds that can be used in accordance with the charitable objects at the discretion of the Governors.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowed Funds - these funds represent the original endowments.

**1.12 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**1.13 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In preparing these accounts the Trustees have applied such factors in judging the recoverability of debtors so that a provision for doubtful debts could be estimated.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than the Provision for the pension deficit levy. The School has an obligation to pay deficit funding contributions towards the support staff defined benefit pension plan. This provision is dependent on a number of factors including discount rate, life expectancy and asset valuations. The assumptions reflect historical experience and current trends.

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**2. School Fees**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>The School's fee income comprised:</b>		
Gross tuition fees	<b>7,643,258</b>	7,598,105
Less: Fee discounts	<b>(164,052)</b>	(162,942)
	<hr/>	<hr/>
Tuition fees after discounts	<b>7,479,206</b>	7,435,163
Less: Total bursaries, scholarships and allowances	<b>(883,825)</b>	(716,056)
	<hr/>	<hr/>
	<b>6,595,381</b>	6,719,107
Add back: Bursaries, scholarships etc paid by restricted funds	<b>492,771</b>	438,478
	<hr/>	<hr/>
	<b>7,088,152</b>	7,157,585
	<hr/> <hr/>	<hr/> <hr/>
	 <b>2016</b> <b>£</b>	 <b>2015</b> <b>£</b>
<b>Grants, awards and prizes paid for by Restricted Funds Comprised:</b>		
Bursaries, scholarships etc funded by investment income	<b>294,771</b>	298,478
Bursaries, scholarships etc funded by investment gains	<b>198,000</b>	140,000
	<hr/>	<hr/>
	<b>492,771</b>	438,478
	<hr/> <hr/>	<hr/> <hr/>

The above bursaries and scholarships were made to 184 (2015 – 130) individuals. Of these awards 57 were made under a Sixth Form Scholarship scheme which commenced in September 2014.

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**3 Ancillary trading**

	2016	2015
	£	£
After school care and other	55,924	62,078
School meals	146,149	141,733
Bus fares	75,177	93,457
Entrance and registration fees	8,250	8,450
Courses, examination fees and sub letting	109,772	71,030
	<u>395,272</u>	<u>376,748</u>

**4 Grant and donations**

	2016	2015
	£	£
<b>Unrestricted</b>		
Foundation Account	13,875	13,597
Donations	10,130	13,912
Legacy	187,091	-
	<u>211,096</u>	<u>27,509</u>
<b>Restricted</b>		
Donations	100,000	125,000
	<u>100,000</u>	<u>125,000</u>
Total	<u>311,096</u>	<u>152,509</u>

**5 Other activities**

	2016	2015
	£	£
Miscellaneous income	1,348	3,797
Interest and account charges	14,010	14,750
	<u>15,358</u>	<u>18,547</u>

**6 Investment income**

	2016	2015
	£	£
Income from quoted investments	280,185	280,977
Interest from cash deposits	16,717	20,128
	<u>296,902</u>	<u>301,105</u>

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**7 Staff costs and related party transactions**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>Total staff costs comprised:</b>		
Wages and salaries	<b>4,894,995</b>	4,905,217
Social security costs	<b>390,751</b>	352,969
Pension contributions	<b>682,816</b>	611,119
	<u><b>5,968,562</b></u>	<u>5,869,305</u>
Aggregate employee benefits of key management personnel	<u><b>500,372</b></u>	<u>482,998</u>

The key management personnel in the note above consists of the Senior Management Team.

The average number of employees in the year was 196 (2015 – 203) of which 95 (2015 – 99) were teaching staff. Neither the governors nor persons connected with them received any remuneration. Expenses reimbursed to one governor during the year totalled £52 (2015 – 2 governors £55).

Included within the Wages and salaries cost is £116,211 related to the termination of 8 employees' contracts. Of this sum redundancy payments made to 6 employees amounted to £92,750 and £23,461 were ex gratia payments to 2 employees. There were no amounts related to termination payments outstanding at 31 August 2016.

The number of employees who received remuneration in the following bands was:

	<b>2016</b> <b>No</b>	<b>2015</b> <b>No</b>
More than £80,000 but less than £90,000	<b>1</b>	1
More than £60,000 but less than £70,000	<b>2</b>	2
	<u><b>3</b></u>	<u>3</u>

The number of higher paid employees for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2015 – 3). Employer contributions for the year amounted to £30,660 (2015 - £27,100).



**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**8 Analysis of Total Resources Expended**

	Staff Costs £	Other £	Depreciation £	Total 2016 £	Total 2015 £
<b>Charitable activities:</b>					
Teaching	5,020,937	625,674	-	5,646,611	5,604,991
Welfare	133,400	176,322	-	309,722	315,123
Premises	367,400	428,772	252,762	1,048,934	1,017,226
Support costs and governance	456,824	367,682	62,011	886,517	764,732
School operating costs	<u>5,978,561</u>	<u>1,598,450</u>	<u>314,773</u>	<u>7,891,784</u>	<u>7,702,072</u>
Grants, awards and prizes	<u>-</u>	<u>492,771</u>	<u>-</u>	<u>492,771</u>	<u>438,478</u>
	<u>5,978,561</u>	<u>2,091,221</u>	<u>314,773</u>	<u>8,384,555</u>	<u>8,140,550</u>
				<b>2016 £</b>	<b>2015 £</b>
<b>Governance costs included in support costs</b>					
Expenses and other costs				112	342
Auditors' remuneration				15,212	14,160
				<u>15,324</u>	<u>14,502</u>

**9 Tangible Fixed Assets**

	Freehold land and buildings £	Fixtures, fittings and vehicles £	Total £
<b>Cost</b>			
As at 1 September 2015	7,675,039	1,184,376	8,859,415
Additions	22,771	502,271	525,042
Disposals	<u>(271,250)</u>	<u>(23,710)</u>	<u>(294,960)</u>
<b>As at 31 August 2016</b>	<u>7,426,560</u>	<u>1,662,937</u>	<u>9,089,497</u>
<b>Depreciation</b>			
As at 1 September 2015	1,881,465	574,465	2,455,930
Charge for the year	148,820	165,952	314,772
Disposal	<u>(66,875)</u>	<u>(23,710)</u>	<u>(90,585)</u>
<b>As at 31 August 2016</b>	<u>1,963,410</u>	<u>716,707</u>	<u>2,680,117</u>
<b>Net Book Value</b>			
<b>As at 31 August 2016</b>	<u>5,463,150</u>	<u>946,230</u>	<u>6,409,380</u>
As at 31 August 2015	<u>5,793,574</u>	<u>609,911</u>	<u>6,403,485</u>

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**10. Investments**

	Listed Investments £	National Savings £	Cash Deposits £	Total £
<b>Market value at 1 September 2015</b>	<b>5,454,396</b>	<b>414,385</b>	<b>656,329</b>	<b>6,525,110</b>
Additions	325,052	819	100,709	426,580
Disposals	(271,064)	-	-	(271,064)
Net investment gain	<u>112,940</u>	<u>-</u>	<u>-</u>	<u>112,940</u>
<b>Market value at 31 August 2016</b>	<b>5,621,324</b>	<b>415,204</b>	<b>757,038</b>	<b>6,793,566</b>
<b>At 31 August 2016</b>				
Endowed	194,590	-	-	194,590
Restricted	5,426,734	240,000	732,496	6,399,230
Unrestricted	-	175,204	24,542	199,746
	<u>5,621,324</u>	<u>415,204</u>	<u>757,038</u>	<u>6,793,566</u>
<b>At 31 August 2015</b>				
Endowed	194,590	-	-	194,590
Restricted	5,259,806	380,000	656,329	6,296,135
Unrestricted	-	34,385	-	34,385
	<u>5,454,396</u>	<u>414,385</u>	<u>656,329</u>	<u>6,525,110</u>

The following holdings each constitute more than 5% of the School's holdings

	<b>Market Value</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Henderson High Income Trust Ordinary £0.05	294,400	288,800
CQS New City High Yield Fund Ltd Ord NPV	287,262	289,100

There are no direct holdings in investments located outside the U.K. The School's cash deposits consist of £306,189 on 6 month's notice and £258,397 on 12 month's notice.

**11. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Tuition fees – Parents	265,407	222,193
Other debtors	238,829	220,819
	<u>504,236</u>	<u>443,012</u>

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>343,547</b>	233,483
Taxation and social security	<b>191,433</b>	184,332
Deposits	<b>210,345</b>	197,427
Other creditors	<b>508,268</b>	462,100
Accruals	<b><u>100,819</u></b>	<b><u>84,508</u></b>
	<b><u>1,354,412</u></b>	<b><u>1,161,850</u></b>

The amount shown under Other Creditors includes deferred income amounting to £329,856 (2015 – £294,435).

**13. Financial instruments**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost (a)	<b>1,769,304</b>	1,569,321
Financial assets measured at fair value (b)	<b>5,624,325</b>	5,454,396
Financial liabilities measured at amortised cost (c)	<b>(923,737)</b>	(739,907)
Financial liability related to defined benefit pension scheme at fair value	<b>(512,000)</b>	(502,000)
	<b><u>845,567</u></b>	<b><u>829,414</u></b>
Net financial assets measured at amortised cost	<b>845,567</b>	829,414

(a) Financial assets include cash, trade and fee debtors, staff loans, other debtors and accrued income.

(b) Financial assets held at fair value include assets held as investments.

(c) Financial liabilities include deposits, fees in advance, trade creditors, and other creditors.

Impairment losses charged to financial assets measured at amortised cost in the year amounted to £4,850.

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**14. Long Term Liability**

	2016 £	2015 £
Provision for pension deficit levy payments (See Note 23)	<b>512,000</b>	502,000
	<hr/>	<hr/>
Included in Creditors: payable within 1 year	<b>44,000</b>	43,000
Long term liability: payable after 1 year	<b>468,000</b>	459,000
	<hr/>	<hr/>
	<b>512,000</b>	502,000
	<hr/>	<hr/>

**15. Analysis of Funds**

	Balance as at 1 September 2015 £	Incoming resources £	Resources expended £	Loss on sale of freehold building £	Investment gain £	Balance as at 31 August 2016 £
Unrestricted Funds	<b>3,174,973</b>	<b>7,712,009</b>	<b>(7,829,168)</b>	<b>(16,883)</b>	-	<b>3,040,931</b>
Restricted Funds	<b>6,372,915</b>	<b>394,771</b>	<b>(492,771)</b>		<b>227,464</b>	<b>6,502,379</b>
Endowed Funds	<b>2,701,490</b>	-	<b>(62,616)</b>	-	-	<b>2,638,874</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>12,249,378</b>	<b>8,106,780</b>	<b>(8,384,555)</b>	<b>(16,883)</b>	<b>227,464</b>	<b>12,182,184</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**15. Analysis of Funds (continued)**

<b>Restricted Funds</b>	<b>Balance as at 1 September 2015</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Investment gains</b>	<b>Balance as at 31 August 2016</b>
	£	£	£	£	£
Bursaries & Prizes Fund	<b>6,061,580</b>	<b>394,771</b>	<b>(492,771)</b>	<b>227,464</b>	<b>6,191,044</b>
Bursary Appeal Fund	<b>18,741</b>	-	-	-	<b>18,741</b>
Bursary Fund	<b>153,280</b>	-	-	-	<b>153,280</b>
Capital Project Fund	<b>139,314</b>	-	-	-	<b>139,314</b>
	<b>6,372,915</b>	<b>394,771</b>	<b>(492,771)</b>	<b>227,464</b>	<b>6,502,379</b>

The Restricted Funds operate to fund bursaries and capital expenditure projects. The Endowed funds constitute the depreciated historic cost of the land and buildings on the Chamber Road site when the School incorporated in 2007.

**16. Analysis of Net Assets Between Funds**

	<b>Fixed Assets</b>	<b>Investments</b>	<b>Net Current Liabilities</b>	<b>Long Term Liability</b>	<b>Funds Carried forward</b>
	£	£	£		£
Unrestricted	<b>3,965,096</b>	<b>199,881</b>	<b>(656,046)</b>	<b>(468,000)</b>	<b>3,040,931</b>
Restricted	-	<b>6,399,095</b>	<b>103,284</b>	-	<b>6,602,379</b>
Endowed	<b>2,444,284</b>	<b>194,590</b>	-	-	<b>2,638,874</b>
	<b>6,409,380</b>	<b>6,793,566</b>	<b>(552,762)</b>	<b>(468,000)</b>	<b>12,182,184</b>

**17. Operating Lease Commitments**

The future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2016</b>	<b>2015</b>
	£	£
<b>Plant &amp; Equipment</b>		
Less than 1 year	<b>34,322</b>	<b>36,322</b>
Between 2 and 5 years	<b>66,248</b>	<b>99,903</b>
	<b>100,570</b>	<b>136,225</b>

The total operating costs for the year were £33,789 (2015 – £31,507).

# Oldham Hulme Grammar Schools

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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### 18. Capital Commitments

At the Balance Sheet date the School had capital commitments which were authorised but not accrued of £271,000 (2015: £230,000) in relation to a new switchboard and a refurbishment of the Science Centre.

### 19. Pension Schemes

#### Teacher's Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £559,977 (2015: £499,653) and at the year-end £72,517 (2015 - £70,375) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

The employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

#### Support Staff Pension Scheme

The School's support staff participate in the CARE Scheme which is a funded multi-employer defined benefit scheme operated by the Pensions Trust. The main benefit provided by the contracted-out Scheme is a pension of one-eightieth of the member's career average revalued earnings each year (and months proportionately) of pensionable service.

The company participates in the scheme, a multi-employer scheme which provides benefits to some 41 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

# Oldham Hulme Grammar Schools

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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A full actuarial valuation for the scheme was carried out at 30 September 2010. This actuarial valuation showed assets of £21.33m, liabilities of £23.97m and a deficit of £2.64m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

### Deficit contributions

From 1 April 2012 to 31 March 2022:	£208,000 per annum (payable monthly and increasing by 3.0% each year on 1st April)
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A full actuarial valuation for the scheme was carried out at 30 September 2013. This actuarial valuation showed assets of £35.56m, liabilities of £51.94m and a deficit of £16.38m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

### Deficit contributions

From 1 July 2015 to 30 April 2027:	£1,152,000 per annum (payable monthly and increasing by 3.0% each year on 1st July)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

### PRESENT VALUES OF PROVISION

	31 August 2016 (£000s)	31 August 2015 (£000s)	31 August 2014 (£000s)
Present value of provision	512	502	62

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	<b>Period Ending 31 August 2016 (£000s)</b>	<b>Period Ending 31 August 2015 (£000s)</b>
<b>Provision at start of period</b>	502	62
<b>Unwinding of the discount factor (interest expense)</b>	13	457
<b>Deficit contribution paid</b>	(43)	(8)
<b>Remeasurements - impact of any change in assumptions</b>	40	(9)
<b>Remeasurements - amendments to the contribution schedule</b>	(0)	-
<b>Provision at end of period</b>	512	502

**INCOME AND EXPENDITURE IMPACT**

	<b>Period Ending 31 August 2016 (£000s)</b>	<b>Period Ending 31 August 2015 (£000s)</b>
<b>Interest expense</b>	13	457
<b>Remeasurements – impact of any change in assumptions</b>	40	(9)
<b>Remeasurements – amendments to the contribution schedule</b>	(0)	-
<b>Contributions paid in respect of future service*</b>	*	*
<b>Costs recognised in income and expenditure account</b>	*	*

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

**ASSUMPTIONS**

	<b>31 August 2016 % per annum</b>	<b>31 August 2015 % per annum</b>	<b>31 August 2014 % per annum</b>
<b>Rate of discount</b>	1.19	2.72	2.40



**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

**DEFICIT CONTRIBUTIONS SCHEDULE**

<b>Year ending</b>	<b>31 August 2016 (£000s)</b>	<b>31 August 2015 (£000s)</b>	<b>31 August 2014 (£000s)</b>
<b>Year 1</b>	44	43	8
<b>Year 2</b>	46	44	8
<b>Year 3</b>	47	46	9
<b>Year 4</b>	48	47	9
<b>Year 5</b>	50	48	9
<b>Year 6</b>	51	50	9
<b>Year 7</b>	53	51	10
<b>Year 8</b>	54	53	6
<b>Year 9</b>	56	54	-
<b>Year 10</b>	58	56	-
<b>Year 11</b>	39	58	-
<b>Year 12</b>	-	39	-
<b>Year 13</b>	-	-	-
<b>Year 14</b>	-	-	-
<b>Year 15</b>	-	-	-
<b>Year 16</b>	-	-	-
<b>Year 17</b>	-	-	-
<b>Year 18</b>	-	-	-
<b>Year 19</b>	-	-	-
<b>Year 20</b>	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

# Oldham Hulme Grammar Schools

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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### Scheme Closure and New Scheme

The Trustees of the Pensions Trust CARE scheme closed it to future accruals on 31 March 2016 and from that date employees were entitled to join the Pensions Trust Flexible Retirement Plan which is a defined contribution scheme.

### Support Staff Additional Voluntary Contribution Scheme

The School has also operated a scheme through the Pensions Trust (the "Growth Plan") for additional voluntary contributions from support staff members. The scheme now has one member.

### 20. Related Party Transactions

During the year the following payments were made to organisations linked to Governors:

£1,609 was paid to Wilds of Oldham Limited of which A P Wild is a director  
£353 was paid to Wrigley Claydon of which V A K Srivastava is a partner

### 21. Endowed Funds

The Schools' main building was deemed to be endowed in 2007 and the valuation placed on this as at 31 August 2016 was £2,444,284 which was a reduction of £62,616 on the previous year resulting from the annual depreciation charge on those assets. This depreciation charge is shown under Endowed Funds on the face of the Statement of Financial Activities.

### 22. Subsidiary

The School owns 100% of the share capital of Oldham Hulme Grammar School (International) Limited which is a dormant company incorporated on 12 February 2014. The School is exempt from preparing consolidated accounts because the company is dormant.

### 23. Reconciliation of changes to financial statements on adoption of FRS 102

As a result of the application of FRS 102 in these accounts there has been a change to the accounting policies. The following note details the impact of these changes.

Reconciliation of Funds Changes on transitioning to FRS102	Published Accounts	Amount of Adjustment	Comparative figure in these accounts
	£	£	£
Other Accounting Policy Changes as specified below:			
Deficit contributions to pensions scheme	-	(519,000)	-
Total Funds as at 1 September 2014	13,086,134	(519,000)	12,567,134
Effect on net income for the year to 31 August 2015	(334,756)	17,000	(317,756)

**Oldham Hulme Grammar Schools**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**24. Statement of financial activities – comparative figures by fund – type**

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2015
	£	£	£	£
<b>INCOMING RESOURCES</b>				
Charitable activities				
School Fees	7,157,585	-	-	7,157,585
Ancillary trading	376,748	-	-	376,748
Investment income	2,627	298,478	-	301,105
Grants and donations	27,509	125,000	-	152,509
Other activities	18,547	-	-	18,547
<b>TOTAL INCOMING RESOURCES</b>	<b>7,583,016</b>	<b>423,478</b>	<b>-</b>	<b>8,006,494</b>
<b>RESOURCES EXPENDED</b>				
Direct charitable expenditure				
Schools and grant making	7,639,456	438,478	62,616	8,140,550
<b>RESOURCES EXPENDED IN THE YEAR</b>	<b>7,639,456</b>	<b>438,478</b>	<b>62,616</b>	<b>8,140,550</b>
<b>NET OUTGOING RESOURCES</b>	<b>(56,440)</b>	<b>(15,000)</b>	<b>(62,616)</b>	<b>(134,056)</b>
Gain on investment property	184,880	-	-	184,880
Loss on investments	-	(368,580)	-	(368,580)
<b>MOVEMENT IN FUNDS</b>	<b>128,440</b>	<b>(383,580)</b>	<b>(62,616)</b>	<b>(317,756)</b>
Resources brought forward	3,046,533	6,756,495	2,764,106	12,567,134
<b>RESOURCES CARRIED FORWARD</b>	<b>3,174,973</b>	<b>6,372,915</b>	<b>2,701,490</b>	<b>12,249,378</b>