

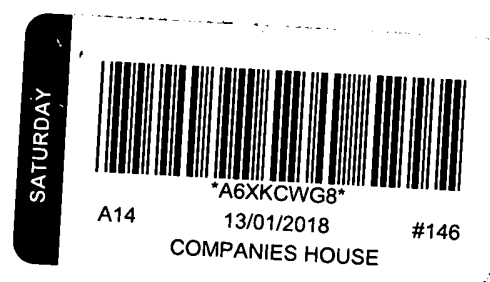
Company number: 06125927
Charity number: 526636

OLDHAM HULME GRAMMAR SCHOOLS

(A Charitable Company Limited by Guarantee)

REPORT AND ACCOUNTS

For the year ended 31 August 2017



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Oldham Hulme Grammar Schools

SCHOOL INFORMATION

GOVERNORS

V A K Srivastava LLB (Chairman)
Mrs A Richards BSc, PGCE (Vice Chair)
D M Meredith ACIB, Dip FSL (Treasurer)
J Greenwood BA (Hons), MRICS, MCIOB
R S Illingworth BSc
R Lobley MRICS
I R G Mills BA (Hons)
A Milnes BA, FCA
Mrs V Stocker LLB
K Sanders
J Sutcliffe BA, MEd, PGCE
Dr Z Chauhan MD, MRCP

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
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

Oldham Hulme Grammar Schools

SCHOOL INFORMATION *(continued)*

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

Oldham Hulme Grammar Schools

GOVERNORS' REPORT

INTRODUCTION

The Governors present their annual report for the financial year ended 31 August 2017 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

From September 2017 the School provides education to boys and girls from the age of 3 – 18 through its diamond structure consisting of: co-educational Infants & Nursery (age 3-7) and Junior (age 7-11), single sex teaching Senior school (age 11-16); 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 19th 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*)

The Articles of Association allow a maximum of 14 Governors of which two should be nominated as representatives of the Oldham Metropolitan Borough Council. The 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)
^	S A Corns MA	(Resigned 30 November 2016)
#	J Greenwood BA (Hons) MRICS MCIOB	(Appointed 6 April 2017)
+	R S Illingworth BSc	
# !	R B Lobley MRICS	
# + \$	D M Meredith ACIB Dip FSL	(Treasurer)
	I R G Mills BA (Hons)	(Appointed 30 November 2016)
\$	A Milnes BA, FCA	
	K Sanders	
# ^	V Stocker LLB	
~ ^	J Sutcliffe BA, MEd, PGCE	
~ %	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)*

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 Barnett	Head of Kindergarten

PUBLIC BENEFIT

The Governors have complied with the duty to have due regard to the Charity Commissions guidance on public benefit in the course of carrying out their responsibilities.

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

The fees of 108 children were subsidised in full, or in part, in the academic year 2016/17 through means tested bursaries and the cost of these remissions, before any donations towards them, amounted to £651,000 equivalent to 8.8% 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 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
- Use of school facilities for examination purposes by the Associated Board of the Royal Schools of Music

The School seeks to take an active role in the local community and has formed the following collaborations:

Oldham Coliseum Theatre - Education Partners

Oldham Hulme Grammar School is the 'education partner' of the Oldham Coliseum Theatre. The two organisations support one another in a variety of ways, the partnership being of particular value to the school's drama department.

The Harmony Trust

Rebecca Knott, Head of Juniors, acts as a trustee for the Harmony Trust. The Harmony Trust are a multi academy trust of 5 primary schools in Oldham. Oldham Hulme Grammar School and the Harmony Trust work together to raise aspirations of the Harmony Trust pupils.

Harmony Trust OHGS Reading Partnership

Sixth form students from the School visit Harmony Trust Schools to develop reading skills within the schools.

Werneth Primary School - Aspirations day

We work with the year 5 & 6 pupils from Werneth Primary School on their annual aspirations day

Oldham Hulme Grammar Schools

GOVERNORS' REPORT *(continued)*

St Michael's School

John Dalziel, Deputy Principal External Relations is Chair of Governors at St Michael's School Middleton.

REAL trust

A member of staff from Oldham Hulme Grammar School acts as a trustee of the REAL trust

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, Francis House, Save The Children, British Red Cross, Mustard Tree, Water Aid, Maggies Oldham, Readathon and the Friends of Tafo which is linked to our adopted school in Ghana.

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.

Oldham Hulme Grammar Schools

GOVERNORS' REPORT *(continued)*

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

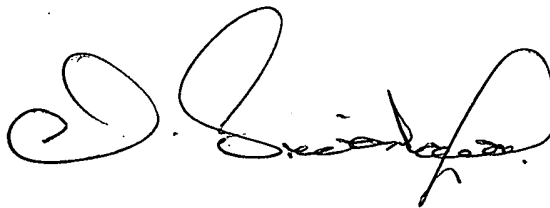
The Governors who were in office on the date of the approval of these financial statements have confirmed that as far as they are aware there is no relevant audit information of which the auditors are unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have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



28/11/ 2017

Oldham Hulme Grammar Schools

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Staff Changes

From this September 2017 the school has a new Computer Science department. Mr Stephen Norbury has been appointed as our new Head of Computer Science joining us from Leicester High School for Girls. Mr Michael Kostecky has left us for pastures new from the ICT department after 4 years.

Mr Adam Smith has moved to a new position at The Grange School and is replaced in the Mathematics department by Mrs Lee-Ann Manton-Howard from Heckmondwike Grammar School.

We also said farewell to Mrs Rhiannon Glover who has led the English department superbly over 5 years and has secured a SLT post at Blue Coat School. Mrs Liz Mills has been promoted to Head of English and we also welcome both Mrs Karen Stansfield who joins us from Blue Coat School, and Mrs Catherine Jones who has previously taught at Bolton and Withington Girls' School.

Mr Gary Conroy has retired from the PE department after 12 years. Mr Adam Henson has joined the PE department and the football teams have made an impressive start to the new season under his care as Teacher in charge of Football.

Mrs Susan Oates has retired after 12 years' service teaching Music in the Juniors both inside and outside of the classroom. Mrs Rachel Shapey who taught Music successfully in the senior school for the last 6 years has also left. Mr Simon Murray has joined the Music team from Highfield Priory School.

In Modern Languages Miss Victoria Pastor completed her NQT year with us successfully and secured a full time post in the south of England. Miss Marie-France Robles has joined the Languages department from Abraham Moss Community School.

Changes amongst the support team include the retirement of Mr Steven Bennett, Senior Caretaker, after 24 years' service. He has been replaced by Mr Keith Jess.

Academic Success

Our students achieved another set of impressive A Level results this summer. For the first time in five years the overall pass rate was 100%, and the % of grades at A* level the highest the school has ever achieved at 12%. In total 60% of Hulme's grades were at A*-B level. 28% of Hulme's cohort achieved at least 1 A* grade and 20% of Hulme's students achieved at least 3 A grades.

Our students' GCSE results were excellent. The overall pass rate was 96% with 97% of students achieving the national benchmark of 5 A*-C grades including English and Maths. The % of A* grades rose to its highest level in 5 years at 19%. Nearly half of Hulme's grades (48%) were at A*-A level. 13 students gained 9 or more A*/A grades.

Key statistics from GCSE were:

- 81% of all grades were at A*-B.
- As new 9-1 grading is introduced 98% of pupils achieved at least a grade 4 in Maths.
- 77% of all grades in Chemistry were A*/A.
- 75% of all grades in English Literature were A*/A.
- 64% of grades in Latin were A*.
- Every single girl achieved at least 1 A*/A or 7-9 grade.

DEVELOPMENT OF THE SCHOOL'S SITES

The School has continued with its development of the Google education platform and it is now in use throughout the Senior and Junior schools. In January 2017 the fully refurbished Science Centre was officially opened which provided state-of-the-art teaching laboratories for both the Physics and Chemistry departments at a project cost of £500,000. In the summer a £250,000 project to refurbish the Estcourt building, which houses part of our Junior school, commenced. This will run into the new academic year and when complete pupils and staff will be able to move back into a much improved building.

Oldham Hulme Grammar Schools

STRATEGIC REPORT

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 facilities.
- 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

During the year discussions have taken place with other interested parties to explore the possibility of raising finance for a shared all-weather facility. The refurbished Science Centre was brought into full operation during the year and the reaction from pupils, staff and parents has been excellent. A new refurbishment project for Estcourt commenced at the end of the academic year and it is expected that this will be completed by the end of the Autumn 2017 term.

There has been much activity with regard to China and other overseas markets and the School has been exploring a number of opportunities.

The Governors and Senior Management Team have reviewed the operation of all sections of the School and also looked closely at the curriculum in order to find ways of improving how we deliver education. As a result a decision was taken to move the Junior section onto a coeducational basis from September 2017.

The use of the Google platform in the classroom has continued to develop and the School is pleased with the enthusiasm for the project that has been shown by both staff and pupils

Academically the School had another excellent year and pupils' achievements in the 2017 public examinations reached a high standard. 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 the principal reason that the pupil roll in September 2016 was around 20 pupils less than budget and this had a substantial effect on fee income.

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 4.9% was the outcome for the year.

Oldham Hulme Grammar Schools

STRATEGIC REPORT

FINANCIAL PERFORMANCE TRENDS AND RESERVES

The School had a deficit of £357,975 (2016 deficit of £67,194). The net income from tuition fees amounted to £6,949,424 which was down on the previous year due to a fall in the pupil roll. Income from Donations was £21,687 which was well down on last year because a donation from the Stoller Trust of £100,000 was received after the year end and a large legacy received in 2016. Total Resources Expended amounted to £8,426,413 compared to £8,384,555 in 2016 with most of the increase caused by a larger funding towards grants awards and prizes. Some costs, including payroll, exceeded budget and combined with the income drop to produce an operating deficit of £755,725. The value of the School's investment portfolio rose by £397,750 during the year.

On the Balance Sheet the additions to Fixed Assets amounted to £371,296, a significant part of which was costs related to the refurbishment of the Science Centre. The Debtors balance rose slightly by £19,974 and Creditors increased by £114,671 principally because of fees for the new financial year received before the year end. The long term element of the Provision for the future payments of the deficit recovery levy on the support staff defined benefit pension scheme fell to £429,318 reflecting the payments made in the year. This is detailed further in Note 19. The School had a cash outflow from operating activities of £669,851 but there was an inflow from investing activities of £818,510 as the School used its deposits to fund the operating outflow and capital expenditure. The total net outflow of £69,961 was offset by Donations of £21,687 to produce a £48,274 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 and investment resources. The Governors have reviewed the cash flow forecasts and are satisfied that the Going Concern basis is appropriate.

The Governors aim is to have free reserves of a minimum of 10 weeks expenditure, approximately £1.6 million, available to cover the worst case scenario. At the Balance Sheet date free reserves amounted to £(870,591). 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

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

An Admissions Officer was appointed, a new marketing strategy has been implemented and the Governors have approved more bursaries and scholarships. These changes have had an impact and the School started the new year in September 2017 with more pupils than the previous year.

Political change

The School continues to develop 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 other parts of the world, including China, and development of an overseas business
- The best structures for the delivery of education at all levels in the School
- Further investment in the Google teaching and learning platform
- Appointment of a Fundraising Manager

By order of the Board



V A K Srivastava
Chairman

28/11/2017

Oldham Hulme Grammar Schools

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 AUGUST 2017

Opinion

We have audited the financial statements of Oldham Hulme Grammar Schools for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of 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.

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Oldham Hulme Grammar Schools

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 AUGUST 2017

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- 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; and
- the Governors' Annual Report and Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the governors' annual report.

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

- adequate accounting records have not been kept; or
- 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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 7, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

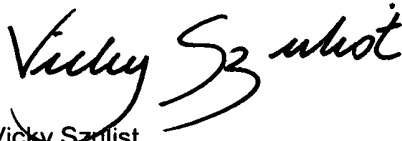
Oldham Hulme Grammar Schools
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2017

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

28th November 2017.

Oldham Hulme Grammar Schools
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)
for the year ended 31 August 2017

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2017	Total 2016
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Charitable Activities						
School Fees	2	6,949,424	-	-	6,949,424	7,088,152
Ancillary trading	3	387,390	-	-	387,390	395,272
Investment income	6	167	294,193	-	294,360	296,902
Grants and donations	4	16,487	5,200	-	21,687	311,096
Other activities	5	17,827	-	-	17,827	15,358
TOTAL INCOMING RESOURCES		7,371,295	299,393	-	7,670,688	8,106,780
RESOURCES EXPENDED						
Charitable activities						
Education and grant making		7,713,035	650,762	62,616	8,426,413	8,384,555
TOTAL EXPENDITURE	8	7,713,035	650,762	62,616	8,426,413	8,384,555
NET OUTGOING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS						
		(341,740)	(351,369)	(62,616)	(755,725)	(277,775)
Loss on investment property		-	-	-	-	(16,883)
Gains on investments		-	397,750	-	397,750	227,464
Transfers		483,500	(483,500)	-	-	-
MOVEMENT IN FUNDS		141,760	(437,119)	(62,616)	(357,975)	(67,194)
Fund balances brought forward at 1 September 2016		3,040,931	6,502,379	2,638,874	12,182,184	12,249,378
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2017	16	3,182,691	6,065,260	2,576,258	11,824,209	12,182,184

The notes on pages 20 to 37 form part of these accounts.

Oldham Hulme Grammar Schools

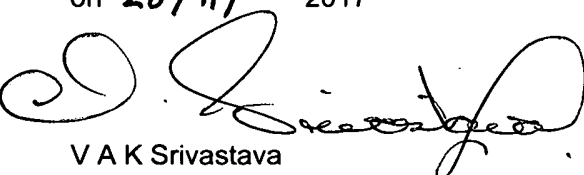
BALANCE SHEET

31 August 2017

Company Registration No: 06125927

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	9	6,434,950	6,409,380
Investments	10	6,514,490	6,793,566
		<u>12,949,440</u>	<u>13,202,946</u>
CURRENT ASSETS			
Debtors	11	524,030	504,236
Cash at bank and in hand		249,140	297,414
		<u>773,170</u>	<u>801,650</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,469,083)</u>	<u>(1,354,412)</u>
NET CURRENT LIABILITIES		<u>(695,913)</u>	<u>(552,762)</u>
LONG TERM LIABILITY			
Provision for pension deficit levy	14	(429,318)	(468,000)
TOTAL NET ASSETS		<u>11,824,209</u>	<u>12,182,184</u>
FUNDS			
Endowed Funds	15	2,576,258	2,638,874
Restricted Funds	15	6,065,260	6,502,379
Unrestricted Funds	15	3,182,691	3,040,931
		<u>11,824,209</u>	<u>12,182,184</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28/11/2017



V A K Srivastava
Chairman of Governors



D M Meredith
Treasurer

The notes on pages 20 to 37 form part of these accounts.

Oldham Hulme Grammar Schools
CASH FLOW STATEMENT
for the year ended 31 August 2017

	Note	2017	2016
		£	£
NET CASH OUTFLOW FROM OPERATIONS	I	(669,851)	(430,662)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income receipts		294,360	296,902
Payable for tangible fixed assets		(371,296)	(525,042)
Proceeds of disposal of freehold building		-	187,492
Investment in shares and long term deposits		(141,684)	(426,581)
Proceeds from sale of investments		818,510	385,589
NET CASH PROVIDED BY INVESTING ACTIVITIES		599,890	(81,640)
		(69,961)	(512,302)
FINANCING			
Donations		21,687	311,096
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(48,274)	(201,206)
Cash and cash equivalents at the beginning of the year		297,414	498,620
Cash and cash equivalents at the end of the year	II	249,140	297,414

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

	2017	2016
	£	£
Net outgoing resources	(755,725)	(277,775)
Non-operating cashflows eliminated:		
Investment income	(294,360)	(296,902)
Donations	(21,687)	(311,096)
Depreciation	345,726	314,773
Increase in debtors	(19,794)	(61,224)
Increase in creditors	114,671	192,562
(Decrease)/increase in long term liability	(38,682)	9,000
NET CASH OUTFLOW FROM OPERATIONS	(669,851)	(430,662)

Oldham Hulme Grammar Schools
CASH FLOW STATEMENT
for the year ended 31 August 2017

II. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	236,479	287,165
Deposits	12,661	10,249
	<u>249,140</u>	<u>297,414</u>

The notes on pages 20 to 37 form part of these accounts.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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 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 manages operational cash flow to make best use of available resources. Fixed assets in the form of surplus buildings or investments 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.

1.5 Foundation account

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

1.6 Expenditure

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

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 2017

2. School Fees

	2017 £	2016 £
The School's fee income comprised:		
Gross tuition fees	7,384,114	7,643,258
Less: Fee discounts	(160,809)	(164,052)
	<hr/>	<hr/>
Tuition fees after discounts	7,223,305	7,479,206
Less: Total bursaries, scholarships and allowances	(924,643)	(883,825)
	<hr/>	<hr/>
	6,298,662	6,595,381
Add back: Bursaries, scholarships etc paid by restricted funds	650,762	492,771
	<hr/>	<hr/>
	6,949,424	7,088,152
	<hr/>	<hr/>

	2017 £	2016 £
Grants, awards and prizes paid for by Restricted Funds Comprised:		
Bursaries, scholarships etc funded by investment income	294,193	294,771
Bursaries, scholarships etc funded by investment gains	356,569	198,000
	<hr/>	<hr/>
	650,762	492,771
	<hr/>	<hr/>

The above bursaries and scholarships were made to 181 (2016 – 184) individuals. Of these awards 108 were made through the School's means tested bursary scheme.

The school has taken the decision to fully fund bursaries from restricted funds.

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

3 Ancilliary trading

	2017	2016
	£	£
After school care and other	54,105	55,924
School meals	151,895	146,149
Bus fares	76,621	75,177
Entrance and registration fees	11,170	8,250
Courses, examination fees and sub letting	93,599	109,772
	<u>387,390</u>	<u>395,272</u>

4 Grant and donations

	2017	2016
	£	£
Unrestricted		
Foundation Account	6,105	13,875
Donations	5,355	10,130
Legacy	5,027	187,091
	<u>16,487</u>	<u>211,096</u>
 Restricted		
Donations	5,200	100,000
	<u>5,200</u>	<u>100,000</u>
 Total	<u>21,687</u>	<u>311,096</u>

5 Other activities

	2017	2016
	£	£
Miscellaneous income	4,903	1,348
Interest and account charges	12,924	14,010
	<u>17,827</u>	<u>15,358</u>

6 Investment income

	2017	2016
	£	£
Income from quoted investments	289,890	280,185
Interest from cash deposits	4,470	16,717
	<u>294,360</u>	<u>296,902</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

7 Staff costs and related party transactions

	2017 £	2016 £
Total staff costs comprised:		
Wages and salaries	4,611,347	4,894,995
Social security costs	426,839	390,751
Pension contributions	605,601	682,816
	<u>5,643,787</u>	<u>5,968,562</u>
 Aggregate employee benefits of key management personnel	 <u>529,029</u>	 <u>545,814</u>

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

The average number of employees in the year was 184 (2016 – 196) of which 84 (2016 – 95) were teaching staff. Neither the governors nor persons connected with them received any remuneration. Travel expenses reimbursed to one governor during the year totalled £157 (2016 – 1 governor £52).

Included within the Wages and salaries cost is £29,013 relating to redundancy payments to 3 employees. There were no amounts related to termination payments outstanding at 31 August 2017.

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

	2017 No	2016 No
More than £80,000 but less than £90,000	1	1
More than £60,000 but less than £70,000	1	2
	<u>2</u>	<u>3</u>

The number of higher paid employees for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2016 – 3). Employer contributions for the year amounted to £13,777 (2016 - £27,982). The amount paid to defined contribution schemes on behalf of the above higher paid employees was £6,427 (2016: £2,678).

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

8 Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreciation £	Total 2017 £	Total 2016 £
Charitable activities:					
Teaching	4,737,952	687,886	-	5,425,838	5,646,611
Welfare	123,983	190,967	-	314,950	309,722
Premises	393,702	497,663	278,480	1,169,845	1,048,934
Support costs and governance	388,150	409,622	67,246	865,018	886,517
School operating costs	<u>5,643,787</u>	<u>1,786,138</u>	<u>345,726</u>	<u>7,775,651</u>	<u>7,891,784</u>
Grants, awards and prizes	<u>-</u>	<u>650,762</u>	<u>-</u>	<u>650,762</u>	<u>492,771</u>
	<u>5,643,787</u>	<u>2,436,900</u>	<u>345,726</u>	<u>8,426,413</u>	<u>8,384,555</u>
				2017 £	2016 £
Governance costs included in support costs					
Expenses and other costs				157	112
Auditors' remuneration				14,840	15,212
				<u>14,997</u>	<u>15,324</u>

9 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and vehicles £	Total £
Cost			
As at 1 September 2016	7,426,560	1,662,938	9,089,498
Additions	124,865	246,431	371,296
Transfer	<u>184,928</u>	<u>(184,928)</u>	<u>-</u>
As at 31 August 2017	<u>7,736,353</u>	<u>1,724,441</u>	<u>9,460,794</u>
Depreciation			
As at 1 September 2016	1,963,410	716,708	2,680,118
Charge for the year	<u>154,477</u>	<u>191,249</u>	<u>345,726</u>
As at 31 August 2017	<u>2,117,887</u>	<u>907,957</u>	<u>3,025,844</u>
Net Book Value			
As at 31 August 2017	<u>5,618,466</u>	<u>816,484</u>	<u>6,434,950</u>
As at 31 August 2016	<u>5,463,150</u>	<u>946,230</u>	<u>6,409,380</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

10. Investments

	Listed Investments £	National Savings £	Cash Deposits £	Total £
Market value at 1 September 2016	5,621,324	415,204	757,038	6,793,566
Additions	141,684	-	-	141,684
Disposals	(158,181)	(349,668)	(253,426)	(761,275)
Net investment gain	<u>340,515</u>	<u>-</u>	<u>-</u>	<u>340,515</u>
Market value at 31 August 2017	5,945,342	65,536	503,612	6,514,490
At 31 August 2017				
Endowed	194,590	-	-	194,590
Restricted	5,750,752	10,000	489,738	6,250,490
Unrestricted	<u>-</u>	<u>55,536</u>	<u>13,874</u>	<u>69,410</u>
	<u>5,945,342</u>	<u>65,536</u>	<u>503,612</u>	<u>6,514,490</u>
At 31 August 2016				
Endowed	194,590	-	-	194,590
Restricted	5,426,734	240,000	732,496	6,399,230
Unrestricted	<u>-</u>	<u>175,204</u>	<u>24,542</u>	<u>199,746</u>
	<u>5,621,324</u>	<u>415,204</u>	<u>757,038</u>	<u>6,793,566</u>

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

	Market Value	
	2017	2016
	£	£
Henderson High Income Trust Ordinary £0.05	310,400	294,400
CQS New City High Yield Fund Ltd Ord NPV	305,025	287,262

There are no direct holdings in investments located outside the U.K. The School's cash deposits consists of £260,770 on a deposit which matures in January 2018 and the balance on instant access.

11. Debtors

	2017	2016
	£	£
Tuition fees – Parents	298,189	265,407
Other debtors	225,841	238,829
	<u>524,030</u>	<u>504,236</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

12. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	252,776	343,547
Taxation and social security	180,913	191,433
Deposits	220,809	210,345
Other creditors	688,175	508,268
Accruals	<u>126,410</u>	<u>100,819</u>
	<u>1,469,083</u>	<u>1,354,412</u>

The amount shown under Other Creditors includes deferred income amounting to £493,346 (2016 – £329,856).

13. Financial instruments

	2017	2016
	£	£
Financial assets measured at amortised cost (a)	1,137,565	1,769,304
Financial assets measured at fair value (b)	5,945,343	5,624,325
Financial liabilities measured at amortised cost (c)	(803,327)	(923,737)
Financial liability related to defined benefit pension scheme at fair value	(475,318)	(512,000)
	<u>334,238</u>	<u>845,567</u>
Net financial assets measured at amortised cost	<u>334,238</u>	<u>845,567</u>

(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, trade creditors, and other creditors.

There were no impairment losses charged to financial assets measured at amortised cost in the year.

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

14. Long Term Liability

	2017 £	2016 £
Provision for pension deficit levy payments (See Note 19)	475,318	512,000
	<u><u>475,318</u></u>	<u><u>512,000</u></u>
Included in Creditors: payable within 1 year	46,000	44,000
Long term liability: payable after 1 year	429,318	468,000
	<u><u>475,318</u></u>	<u><u>512,000</u></u>

15. Analysis of Funds

	Balance as at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Investment gain £	Balance as at 31 August 2017 £
Unrestricted Funds	3,040,931	7,371,295	(7,713,035)	483,500	-	3,182,691
Restricted Funds	6,502,379	299,393	(650,762)	(483,500)	397,750	6,065,260
Endowed Funds	2,638,874	-	(62,616)	-	-	2,576,258
	<u><u>12,182,184</u></u>	<u><u>7,670,688</u></u>	<u><u>(8,426,413)</u></u>	<u><u>-</u></u>	<u><u>397,750</u></u>	<u><u>11,824,209</u></u>

	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	3,174,973	7,712,009	(7,829,168)	(16,883)	-	3,040,931
Restricted Funds	6,372,915	394,771	(492,771)	-	227,464	6,502,379
Endowed Funds	2,701,490	-	(62,616)	-	-	2,638,874
	<u><u>12,249,378</u></u>	<u><u>8,106,780</u></u>	<u><u>(8,384,555)</u></u>	<u><u>(16,883)</u></u>	<u><u>227,464</u></u>	<u><u>12,182,184</u></u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

15. Analysis of Funds (continued)

Restricted Funds	Balance as at 1 September 2016	Incoming resources	Resources expended	Transfers	Investment gains	Balance as at 31 August 2017
	£	£	£	£	£	£
Bursaries & Prizes Fund	6,191,044	299,393	(650,762)	(483,500)	397,750	5,753,925
Bursary Appeal Fund	18,741	-	-	-	-	18,741
Bursary Fund	153,280	-	-	-	-	153,280
Capital Project Fund	139,314	-	-	-	-	139,314
	<u>6,502,379</u>	<u>299,393</u>	<u>(650,762)</u>	<u>(483,500)</u>	<u>397,750</u>	<u>6,065,260</u>

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.

The School has taken the decision to fully fund bursaries from restricted from 2015 onwards. This has resulted in a transfer of £483,500 between restricted and unrestricted funds being £205,921 in relation to 2016 and £277,579 for 2015.

16. Analysis of Net Assets Between Funds

	Fixed Assets	Investments	Net Current Liabilities	Long Term Liability	Funds Carried forward 2017
	£	£	£		£
Unrestricted	4,053,282	750,341	(1,191,614)	(429,318)	3,182,691
Restricted	-	5,569,559	495,701	-	6,065,260
Endowed	2,381,668	194,590	-	-	2,576,258
	<u>6,434,950</u>	<u>6,514,490</u>	<u>(695,913)</u>	<u>(429,318)</u>	<u>11,824,209</u>

	Fixed Assets	Investments	Net Current Liabilities	Long Term Liability	Funds Carried forward 2016
	£	£	£		£
Unrestricted	3,965,096	199,881	(656,046)	(468,000)	3,040,931
Restricted	-	6,399,095	103,284	-	6,502,379
Endowed	2,444,284	194,590	-	-	2,638,874
	<u>6,409,380</u>	<u>6,793,566</u>	<u>(552,762)</u>	<u>(468,000)</u>	<u>12,182,184</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2017

17. Operating Lease Commitments

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

	2017	2016
	£	£
Plant & Equipment		
Less than 1 year	36,011	34,322
Between 2 and 5 years	<u>91,849</u>	<u>66,248</u>
	<u>127,860</u>	<u>100,570</u>

The total operating costs for the year were £33,868 (2016 – £33,789).

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

18. Capital Commitments

At the Balance Sheet date the School had capital commitments which were authorised but not accrued of £246,000 (2016: £271,000) in relation to a refurbishment of the Estcourt junior school building.

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 £524,373 (2016: £559,977) and at the year-end £69,437 (2016 - £72,517) 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 and completed in 2018, 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 School 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

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employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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 2017 (£000s)	31 August 2016 (£000s)
Present value of provision	470	512

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 August 2017 (£000s)	Period Ending 31 August 2016 (£000s)
Provision at start of period	512	502
Unwinding of the discount factor (interest expense)	5	13
Deficit contribution paid	(44)	(43)
Remeasurements - impact of any change in assumptions	(3)	40
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	470	512

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INCOME AND EXPENDITURE IMPACT

	Period Ending 31 August 2017 (£000s)	Period Ending 31 August 2016 (£000s)
Interest expense	5	13
Remeasurements – impact of any change in assumptions	(3)	40
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*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

	31 August 2017 % per annum	31 August 2016 % per annum	31 August 2015 % per annum
Rate of discount	1.34	1.19	2.72

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:

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DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 August 2017 (£000s)	31 August 2016 (£000s)	31 August 2015 (£000s)
Year 1	46	44	43
Year 2	47	46	44
Year 3	48	47	46
Year 4	50	48	47
Year 5	51	50	48
Year 6	53	51	50
Year 7	54	53	51
Year 8	56	54	53
Year 9	58	56	54
Year 10	39	58	56
Year 11	-	39	58
Year 12	-	-	39
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

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.

A revaluation of the Scheme has been carried out as at September 2016. This is still subject to final sign off but it is expected that this will lead to an increase in the deficit recovery payments and therefore the long term liability.

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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:

£273 was paid to Wrigley Claydon of which V A K Srivastava is a partner

During the year V A K Srivastava, I R G Mills and Z Chauhan had children who attended the School.

21. Endowed Funds

The Schools' main building was deemed to be endowed in 2007 and the valuation placed on this as at 31 August 2017 was £2,381,668 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.

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23. Statement of financial activities – comparative figures by fund – type

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