

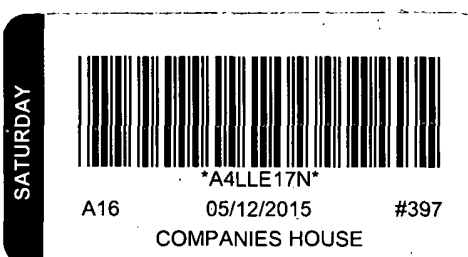
Company number: 06125927
Charity number: 526636

OLDHAM HULME GRAMMAR SCHOOLS

(A Charitable Company Limited by Guarantee)

REPORT AND ACCOUNTS

For the year ended 31 August 2015



Oldham Hulme Grammar Schools

for the year ended 31 August 2015

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Oldham Hulme Grammar Schools

SCHOOL INFORMATION

GOVERNORS

V A K Srivastava LLB (Chairman)
Mrs A Richards BSc, PGCE (Vice Chair)
Dr K G Buckley MB, ChB
J E Halliwell
A P Wild BA
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, MRCP
Q Zaman

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

DrydensFairfax
Shire House
Humboldt Street
Bradford
BD1 5HQ

Oldham Hulme Grammar Schools

GOVERNORS' REPORT

INTRODUCTION

The Governors present their annual report for the financial year ended 31 August 2015 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 2005.

NAME OF THE CHARITY

The name of the charity is "The Oldham Hulme Grammar Schools" which 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 develop a school which is the first choice for families in the locality who are seeking all-round educational excellence
- Schools which are educationally selective but not socially exclusive
- To develop a one school ethos within the chosen diamond model

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 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 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 sub 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.

The following Governors have served through the year:

# + \$	D J Illingworth BA, FCA	(Chairman until 31.08.15, resigned 31.08.15)
!	K G Buckley MB, ChB	
^	S A Corns MA	
# + \$	J E Halliwell	
#	R S Illingworth BSc	
# !	R B Lobley MRICS	
\$ %	A Milnes BA, FCA	
# ^	A Richards BSc, PGCE	
	K Sanders	
# %	V A K Srivastava LLB	(Chairman from 1.09.15)
# ^	V Stocker LLB	
~	J Sutcliffe BA, MEd, PGCE	
#	A P Wild BA	
~ ! %	Q Zaman	
~ %	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.

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 109 children were subsidised in full, or in part, in the academic year 2014/15 and the cost of these remissions, before any donations towards bursaries, amounted to £642,820 equivalent to 8.5% of gross tuition fees.

Oldham Hulme Grammar Schools

GOVERNORS' REPORT *(continued)*

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 Hulme family of schools continues 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; British Red Cross, Comic Relief, Action Medical Research, 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

Oldham Hulme Grammar Schools

GOVERNORS' REPORT (*continued*)

- 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.

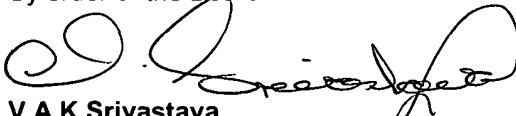
STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

1ST DECEMBER 2015

Oldham Hulme Grammar Schools

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Following 23 years' service to the School, including seven as Chairman, Mr David Illingworth retired from the Board of Governors on 31 August 2015. The Governors are very grateful to Mr Illingworth for his wisdom, calm authority and devotion to the School over a period which has seen significant change. Mr Vijay Srivastava has been appointed Chairman from September 2015. Mr Srivastava is a former Head Boy of the School and following the completion of his Law degree at Leeds University and professional qualifications at the College of Law London, he has worked at Wrigley Claydon Solicitors in Oldham, where he is joint managing partner. Previously Vice-Chairman of Governors, he is also a parent of two current pupils at Oldham Hulme Grammar School. He will be supported by Mrs Ann Richards, who is a former Head of Kindergarten at Hulme, as Vice-Chair.

There were a number of staff changes during the year. Dr Phil Sutherland joined the teaching staff in September 1982 and during the intervening 32 years taught many generations Geography and History. He made a very significant contribution beyond the classroom including ski trips, leading golf tournaments and running football teams. Mr Adam Peacocke has succeeded him as Head of Geography and Miss Grace McCarrick has joined the Geography department from Blue Coat School. In Science Mr Tony Coyle, who joined us in January 1995 to teach Physics, and Miss Rebecca Wood, who taught for three years in the Chemistry department have moved on from Hulme. Mrs Helen Chaplain, who joined the English department in August 2011 and was significantly involved in the extra-curricular life of the school in particular editing the newsletter and producing last year's *Les Misérables*, has moved to the Grange School in Northwich. Mrs Elizabeth Brocklehurst who joined the Prep school to teach Music in January 2007 and introduced the successful 'Sing Up scheme' there has left to join the Oldham Music Service. After spending a year in the Languages department Miss Charlotte Wery has moved to Madrid in the summer and Mr Matthew Grant has joined to teach Spanish and French as a newly qualified teacher from Manchester University.

Much of the school's success depends on the dedication of our committed support staff and this summer saw the retirement of two members of that team. Mrs Pauline Wild joined as a school secretary in March 1993 and the Librarian Mrs Elaine Sykes joined in April 1997.

Once again this summer students have achieved highly. At GCSE Year 11 students achieved a pass rate of 96%, with nearly half (49%) of those grades at A* or A. 36% of Hulme's Year 11 achieved in excess of 7 A*-A grades; 27 students from a cohort of 118 gained 9 or more A*/A grades, 19 achieved 10 or more A*/A grades, and 10 who scored 11 or more A*/A grades. The benchmark of 7 A*/A grades is the threshold for one of the new sixth form scholarship awards and over a third of the cohort received one of these awards this year. The percentage of students achieving 5 A*-C grades including English and Maths rose 2 percentage points to 96% this year.

This success was replicated at A Level. Again this year the overall pass rate was 99% with over 59% top grades (A*-B) achieved. Three pupils achieved an excellent 3 A* grades and another pupil had 2 A* grades to her name. In addition a further 6 students achieved A grades in at least three subjects bringing the total achieving this benchmark to 10 (22% of the cohort).

Governors have decided to offer academic scholarships for entry to Year 7 from September 2016. These will be awarded to the top 15 students on the entrance examination on an incremental scale, up to a maximum value per award of £5,000.

Extra-curricular activities are an important part of School life. There are large scale activities such as the dynamic Duke of Edinburgh award scheme. Last year the School presented 53 Silver and 50 Bronze awards and 12 of our students (past and present) received their Gold awards in London. The Combined Cadet Force is strong and challenges its cadets in many different ways. Over last October half-term members of the School's contingent undertook an exciting expedition to Everest Base camp in Nepal. Challenging themselves both physically and emotionally, the group led by Major Ian Blackwood successfully completed the trek, and enjoyed the stunning scenery in this once in a lifetime adventure. April saw a successful inspection of the CCF contingent by Group Captain David Bradshaw, the Commanding Officer of RAF Leeming. Cadets braved the wintry weather conditions on the day to put on

Oldham Hulme Grammar Schools

STRATEGIC REPORT(*continued*)

impressive displays of their field craft for the visitors. In the summer Lance Corporal Jake Scott was awarded best Junior NCO at the CCF Camp at RAF Odiham.

The extra-curricular activities run across the age range from the popular Quiz League for the younger pupils to the Mock Trial and Young Enterprise for the Sixth Form. The Young Enterprise team won the Best Company Presentation at the Oldham Awards. All ages enjoy the annual Masterchef competition which has become a highlight of Hulme's extra-curricular programme and this year was no exception, as eighteen Pupils from Y7 – Y11 went head to head in the 4th Annual Hulme Master Chef Competition Final on 3rd November.

The school has a proud tradition of its pupils excelling in the arts and this year was no exception. One pupil won the County 'Poetry by Heart Competition', whilst several of our GCSE and A level students exhibited their work at the Portico Gallery in Manchester as part of a display involving several schools in the region.

Hulme's musicians were to the fore early in November with two stunning choral performances in the Main Hall. An 80 strong choir tackled a varied programme including Vivaldi's *Gloria* and an arrangement of traditional spiritual songs by Rutter. The standard of the Annual Nine Lesson and Carols and the instrumental concerts were impressive as was the performances of the GCSE and A Level drama students in producing a range of stunning theatre, including a Halloween ghost story walk.

Perhaps the highlight of the year from an artistic point of view was the exceptional performance of *Les Miserables*. The staff team led by Mrs Chaplain and Mr Robertson enabled a cast and crew of around 100 pupils to transform the hall into a theatre and treated four packed houses to a moving performance.

As in the arts, this year again saw Hulme students excel on the sports field. The senior swimmers won their age categories in Years 8, 9 and Sixth Form level in the Oldham Schools' Championships. The Year 7s were runners up in the Oldham Schools' Football Cup, but made up for this disappointment by winning the Oldham Schools' Cricket cup. A pupil from that team produced stunning bowling figures representing Lancashire at cricket against Cumbria. One pupil gained honours by representing Greater Manchester at the English Schools' Athletics Championships and another was selected for the U13 England Independent Schools Football Squad. A third pupil recently represented Great Britain at the U19 Modern Pentathlon World Championships in Buenos Aires Argentina.

Over the last year Hulme athletes have achieved success at national level. This is the case across the age range with the Prep swimming relay team finishing second in the North West Championships and representing the School at the national finals in Sheffield in June. In a fantastic performance the medley team finished 5th in the A Final and the freestyle team won the B final.

The School is especially proud of its netballers. The U15 team were narrowly defeated in the final of England Independent Schools' knockout competition, but the U14 team are Champions of England, a remarkable achievement for a school of this size. In a thrilling finals day the team rarely struggled recording 9 wins out of 9 before the final including defeating Marlborough College, Uppingham and the Grammar School at Leeds. In a thrilling final Hulme snatched victory 12-11 after extra-time against Milfield school.

The School plays an important part in its community and students have again made important contributions. The Deputy Head Girl was runner up in the Rotary Club Student of the Year. Many pupils were involved in community action and charitable projects. For example a group of Hulme pupils trained as models in preparation for headlining the Runway on the Runway Fashion show in March at Manchester Airport in support of The Teenage Cancer Trust. Led by Mrs Eliot this was preceded by a range of fundraising activities in school. The School is proud of its links with the Oldham Business Leadership Group and as a result prefects were on duty acting as hosts at Oldham Business Leaders and Asian Business Leaders events this year.

Another feature of Hulme life that has not changed is that the School continues to take pride in the achievement of its impressive alumni. On the sports field, Nicola White was part of the England Hockey team who became European champions and Alice Travis represented England U21 at netball. Channel 4

Oldham Hulme Grammar Schools

STRATEGIC REPORT(*continued*)

screened a moving documentary about Dr David Nott working in hospitals in Syria, a hero in the proper sense of the word. In October 2015 old boy Professor Brian Cox spoke to an audience of 800 pupils from all secondary schools in Oldham in an inspirational lecture organised by the Stoller Charitable Trust.

The School has continued to expand its relationships with other parts of the world. It has been developing links with China for some time and the first Chinese student left Hulme following the completion of her A Levels in the summer and progressed to her chosen competitive degree at Manchester. One of two Year 13 Chinese students has just submitted his application to Trinity College Cambridge to study Engineering. The Principal and Deputy Principal for Sixth Form visited a new partner school in China spending two days at Tinghu School in Yancheng. The Chinese school is extremely proud of the link and there is a very large sculpture outside the school in honour of the partnership. Five students from the school joined our Sixth Form in September.

The international links extend to another continent and in July a party of students, led by Mr Dalziel, Mr James and Mrs Russell visited the partner school in Kwahu-Tafo in Ghana. Whilst they were there the students were engaged in a project to renovate the library at the SDA school. The School is proud of this link and it is clear that the students in Ghana are benefitting enormously from Hulme's support of their school. Hulme students gained through the experience of seeing a very different culture which broadened their horizons.

In terms of innovation closer to home, the School understands the need to prepare pupils for a very different working environment from the one their parents entered. The pace of technological change is staggering and the School is adapting to this. Following a successful trial at the Prep departments, and extensive staff training, a programme of using Google Apps for Education in the classroom at senior school began in September 2015. The senior school pupils will use their own Chromebooks to access this valuable teaching and learning platform.

The School recognises that not all of the changes that our students face are positive. There has been a significant amount of press interest in mental health issues affecting young people today and the School is at the cutting edge of helping young people deal with these issues. Mr Dalziel, Deputy Principal for Sixth Form and two students contributed to the Parliamentary Youth Select Committee on mental health issues facing young people at Westminster in June. At the start of the 2015/16 academic year the Peer Mentor team, led by Miss Plews, launched a self-esteem campaign in School. In addition the School has invested in a new anti-bullying app called Tootoot. These initiatives have created both local and national interest in recent weeks on television and in the Press.

DEVELOPMENT OF THE SCHOOL'S SITES

During the year the School continued to maintain a steady investment in I.T. equipment in support of the roll out of the Chromebook project. The most significant investment over the summer of 2015 was the installation of a new boiler system. The project, which had a total cost of £290,000, included a state of the art boiler management system to give a much more efficient control of temperature throughout the building.

INVESTMENT POWERS POLICY AND PERFORMANCE

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.

Oldham Hulme Grammar Schools

STRATEGIC REPORT (*continued*)

FINANCIAL PERFORMANCE TRENDS AND RESERVES

The School had a deficit of £334,756 (2014 surplus of £129,827). The net income from tuition fees amounted to £7,157,585 which was down on the previous year due to a fall in the pupil roll. Donations of £152,509 were received during the year of which £100,000 was received from the Stoller Trust. Total Resources Expended amounted to £8,157,550 compared to £8,137,998 in 2014. This resulted in an operating deficit of £151,056. There was a gain of £184,880 on the sale of a freehold building during the year but the value of the School's investments fell by £368,580 compared to the previous year following a fall in the stock market principally during August.

On the Balance Sheet the additions to Fixed Assets amounted to £144,780, the main element of which was part of the investment in the new boilers noted above. The Debtors balance rose by £34,845, mainly through an increase in sundry debtors, and Creditors increased by £142,094 principally because of an increase in fees paid in advance. The School had a cash outflow from operating activities of £207,402 but an inflow from non operating items of £612,670 resulted in a £405,268 increase in cash resources.

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.

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

Oldham Hulme Grammar Schools

STRATEGIC REPORT *(continued)*

- 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 encompasses, inter alia, the following areas:

- Public liability
- Legal issues
- Failure of suppliers
- Failure of systems
- Staff
- Regulatory compliance
- Fraud
- Finance
- Property
- Health and safety

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.

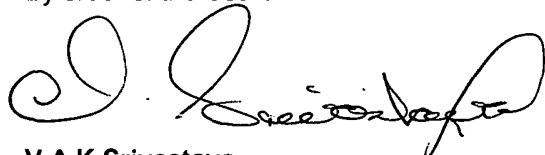
PLANNING FOR THE FUTURE

Governors have received a strategic analysis for the School prepared by the Principal. This document has enabled the Board to identify the actions needed in the School over the foreseeable future. The Governors continue to explore ways of enhancing the School's performance and bringing in additional pupils.

A development plan reflecting the planned improvements to buildings and facilities needed is also revised and updated on a regular basis. Projects identified for the future include:

- 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

By order of the Board



V A K Srivastava
Chairman

1ST DECEMBER 2015

Oldham Hulme Grammar Schools

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Oldham Hulme Grammar Schools for the year ended 31 August 2015 set out pages 15 to 29.

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 2015 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.

Oldham Hulme Grammar Schools
INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2015

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.

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

3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

1st December 2015

Oldham Hulme Grammar Schools
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)
for the year ended 31 August 2015

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2015	Total 2014
		£	£	£	£	£
INCOMING RESOURCES						
Income from charitable activities						
Tuition Fees	2	7,157,585	-	-	7,157,585	7,190,973
Ancillary trading	3	297,268	-	-	297,268	287,036
Other income	3	79,480	-	-	79,480	72,668
Incoming resources from generated funds						
Investment income		2,627	298,478	-	301,105	286,073
Voluntary income	3	27,509	125,000	-	152,509	40,974
Other incoming resources	3	18,547	-	-	18,547	3,573
TOTAL INCOMING RESOURCES		7,583,016	423,478	-	8,006,494	7,881,297
RESOURCES EXPENDED						
Direct charitable expenditure						
Schools and grant making		7,641,954	438,478	62,616	8,143,048	8,123,761
Governance costs		14,502	-	-	14,502	14,237
RESOURCES EXPENDED IN THE YEAR	5	7,656,456	438,478	62,616	8,157,550	8,137,998
NET OUTGOING RESOURCES		(73,440)	(15,000)	(62,616)	(151,056)	(256,701)
Gain on sale of freehold building		184,880	-	-	184,880	-
Net investment loss		-	(368,580)	-	(368,580)	386,528
MOVEMENT IN FUNDS		111,440	(383,580)	(62,616)	(334,756)	129,827
Resources brought forward		3,565,533	6,756,495	2,764,106	13,086,134	12,956,307
RESOURCES CARRIED FORWARD	11	3,676,973	6,372,915	2,701,490	12,751,378	13,086,134

All amounts derive from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 18 to 29 form part of these accounts.

Oldham Hulme Grammar Schools

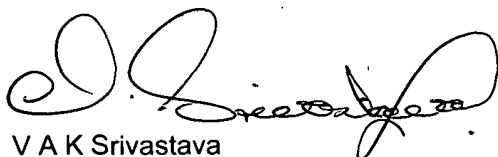
BALANCE SHEET

31 August 2015

Company Registration No: 06125927

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	6	6,403,486	6,571,325
Investments	7	6,525,110	6,990,046
		<u>12,928,596</u>	<u>13,561,371</u>
CURRENT ASSETS			
Debtors	8	443,012	408,167
Cash at bank and in hand		498,620	93,352
		<u>941,632</u>	<u>501,519</u>
CREDITORS: Amounts falling due within one year	9	<u>(1,118,850)</u>	<u>(976,756)</u>
NET CURRENT LIABILITIES		<u>(177,218)</u>	<u>(475,237)</u>
TOTAL NET ASSETS		<u>12,751,378</u>	<u>13,086,134</u>
FUNDS			
Endowed Funds	10	2,701,490	2,764,106
Restricted Funds	10	6,372,915	6,756,495
Unrestricted Funds	10	3,676,973	3,565,533
		<u>12,751,378</u>	<u>13,086,134</u>

The financial statements were approved and authorised for issue by the Board of Governors on ~~1st December~~ 2015



V A K Srivastava
Chairman of Governors



J E Halliwell
Treasurer

The notes on pages 18 to 29 form part of these accounts.

Oldham Hulme Grammar Schools
CASH FLOW STATEMENT
for the year ended 31 August 2015

	Note	2015	2014
		£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	12	(207,402)	(323,807)
RETURNS ON INVESTMENT			
Investment income receipts		301,105	276,073
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payable for tangible fixed assets		(144,780)	(164,679)
Proceeds of disposal of freehold building		207,480	-
Investment in shares and long term deposits		-	(451,423)
Proceeds from sale of investments		96,356	726,939
		159,056	110,837
NET CASH INFLOW		252,759	63,103
FINANCING			
Donations received		152,509	40,974
NET CASH INFLOW FOR THE YEAR	12	405,268	104,077

The notes on pages 18 to 29 form part of these accounts.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011 in accordance with applicable accounting and financial reporting standards in the United Kingdom and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain investments.

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 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 Resources expended policy

Resources expended are accounted for on an accruals basis. 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.

1.4 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 of assets is provided at rates calculated to write off the excess of cost over estimated residual value evenly over the estimated useful life of each class of asset. These rates are:

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

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1.5 Investments and investment income

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

1.6 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.

1.7 Donations

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.

1.8 Foundation account

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

1.9 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.

1.10 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.

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

2. School Fees

	2015 £	2014 £
The School's fee income comprised:		
Gross tuition fees	7,598,105	7,594,437
Less: Fee discounts	(162,942)	(165,420)
	<hr/>	<hr/>
Tuition fees after discounts	7,435,163	7,429,017
Less: Total bursaries, scholarships and allowances	(716,056)	(524,716)
	<hr/>	<hr/>
Add back: Bursaries, scholarships etc paid by restricted funds	6,719,107 438,478	6,904,301 286,672
	<hr/> 7,157,585 <hr/>	<hr/> 7,190,973 <hr/>

	2015 £	2014 £
Grants, awards and prizes paid for by Restricted Funds Comprised:		
Bursaries, scholarships etc funded by investment income	298,478	286,672
Bursaries, scholarships etc funded by investment gains	140,000	-
	<hr/> 438,478 <hr/>	<hr/> 286,672 <hr/>

The above bursaries and scholarships were made to 130 (2014 – 96) individuals. Of these awards 21 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 2015

3 Other Income

	2015 £	2014 £
Ancillary Trading		
After school care	61,616	55,889
School meals	141,733	129,436
Bus fares	93,457	101,289
Other	462	422
	<u>297,268</u>	<u>287,036</u>
	2015 £	2014 £
Other income		
Entrance and registration fees	8,450	10,433
Courses, examination fees and sub letting	71,030	62,235
	<u>79,480</u>	<u>72,668</u>
	2015 £	2014 £
Voluntary Income		
Unrestricted		
Foundation Account	13,597	8,046
Donations	13,912	22,928
	<u>27,509</u>	<u>30,974</u>
Restricted		
Donations	<u>125,000</u>	<u>10,000</u>
	2015 £	2014 £
Other incoming resources		
Miscellaneous income	3,797	3,075
Interest and account charges	14,750	498
	<u>18,547</u>	<u>3,573</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

4 Expenditure

	2015 £	2014 £
Charitable expenditure includes:		
Depreciation	290,019	253,090
Operating lease costs	31,507	30,525
Governance expenditure includes:		
Audit fee	14,160	14,160
Total staff costs comprised:		
Wages and salaries	4,905,217	5,069,842
Social security costs	352,969	372,260
Pension contributions	611,119	611,535
	5,869,305	6,053,637

The average number of full time employees in the year was 160 (2014 – 164) of which 91 (2014 – 92) were teaching staff. Neither the governors nor persons connected with them received any remuneration. Expenses reimbursed to governors during the year totalled £342 (2014 - £77).

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

	2015 No	2014 No
More than £100,000 but less than £110,000	-	1
More than £80,000 but less than £90,000	1	-
More than £60,000 but less than £70,000	2	1
	3	2

The number of higher paid employees for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2014 – 2). Employer contributions for the year amounted to £19,871 (2014 - £21,712).

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

5 Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreciation £	Total 2015 £	Total 2014 £
Charitable activities:					
Teaching	4,993,943	611,048	-	5,604,991	5,724,942
Welfare	130,037	185,086	-	315,123	311,763
Premises	342,692	446,302	228,232	1,017,226	1,032,953
Support costs	402,633	302,810	61,787	767,230	767,431
 School operating costs	<u>5,869,305</u>	<u>1,545,246</u>	<u>290,019</u>	<u>7,704,570</u>	<u>7,837,089</u>
 Grants, awards and prizes	-	438,478	-	438,478	286,672
Governance costs	<u>-</u>	<u>14,502</u>	<u>-</u>	<u>14,502</u>	<u>14,237</u>
	<u>5,869,305</u>	<u>1,998,226</u>	<u>290,019</u>	<u>8,157,550</u>	<u>8,137,998</u>

6 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and vehicles £	Total £
Cost			
As at 1 September 2014	7,708,689	1,039,595	8,748,284
Additions	-	144,780	144,780
Disposals	(33,648)	-	(33,648)
As at 31 August 2015	<u>7,675,041</u>	<u>1,184,375</u>	<u>8,859,416</u>
 Depreciation			
As at 1 September 2014	1,736,261	440,698	2,176,959
Charge for the year	156,252	133,767	290,019
Disposal	(11,048)	-	(11,048)
As at 31 August 2015	<u>1,881,465</u>	<u>574,465</u>	<u>2,455,930</u>
 Net Book Value			
As at 31 August 2015	<u>5,793,576</u>	<u>609,910</u>	<u>6,403,486</u>
 As at 31 August 2014	<u>5,972,428</u>	<u>598,897</u>	<u>6,571,325</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

7. Investments

	Listed Investments £	National Savings £	Cash Deposits £	Total £
Market value at 1 September 2014	5,822,976	554,385	612,685	6,990,046
Additions	-	-	-	-
Disposals	-	(140,000)	43,644	(96,356)
Net investment loss	<u>(368,580)</u>	<u>-</u>	<u>-</u>	<u>(368,580)</u>
Market value at 31 August 2015	5,454,396	414,385	656,329	6,525,110
At 31 August 2015				
Endowed	194,590	-	-	194,590
Restricted	5,259,806	380,000	656,329	6,296,135
Unrestricted	-	<u>34,385</u>	-	<u>34,385</u>
	<u>5,454,396</u>	<u>414,385</u>	<u>656,329</u>	<u>6,525,110</u>
At 31 August 2014				
Endowed	194,590	-	-	194,590
Restricted	5,628,386	380,000	612,685	6,621,071
Unrestricted	-	<u>174,385</u>	-	<u>174,385</u>
	<u>5,822,976</u>	<u>554,385</u>	<u>612,685</u>	<u>6,990,046</u>

There are no direct holdings in investments located outside the U.K.

8. Debtors

	2015 £	2014 £
Tuition fees – Parents	222,193	229,226
Other debtors	220,819	178,941
	<u>443,012</u>	<u>408,167</u>

9. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	233,483	275,642
Taxation and social security	184,332	209,081
Deposits	197,427	196,303
Other creditors	419,100	208,315
Accruals	<u>84,508</u>	<u>87,415</u>
	<u>1,118,850</u>	<u>976,756</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

10. Analysis of Funds

	Balance as at 1 September 2014	Incoming resources	Resources expended	Gain on sale of freehold building	Investment loss	Balance as at 31 August 2015
	£	£	£	£	£	£
Unrestricted Funds	3,565,533	7,583,016	(7,656,456)	184,880	-	3,676,973
Restricted Funds	6,756,495	423,478	(438,478)	-	(368,580)	6,372,915
Endowed Funds	<u>2,764,106</u>	<u>-</u>	<u>(62,616)</u>	<u>-</u>	<u>-</u>	<u>2,701,490</u>
	<u>13,086,134</u>	<u>8,006,494</u>	<u>(8,157,550)</u>	<u>184,880</u>	<u>(368,580)</u>	<u>12,751,378</u>

Restricted Funds	Balance as at 1 September 2014	Incoming resources	Resources expended	Investment gains	Balance as at 31 August 2015
	£	£	£	£	£
Bursaries & Prizes Fund	6,445,160	423,478	(438,478)	(368,580)	6,061,580
Bursary Appeal Fund	18,741	-	-	-	18,741
Bursary Fund	153,280	-	-	-	153,280
Capital Project Fund	<u>139,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,314</u>
	<u>6,756,495</u>	<u>423,478</u>	<u>(438,478)</u>	<u>(368,580)</u>	<u>6,372,915</u>

The Restricted Funds operate to fund bursaries and capital expenditure projects.

11. Analysis of Net Assets Between Funds

	Fixed Assets £	Investments £	Net Current Liabilities £	Funds Carried forward £
Unrestricted	3,896,586	34,385	(253,998)	3,676,973
Restricted	-	6,296,135	76,780	6,372,915
Endowed	<u>2,506,900</u>	<u>194,590</u>	<u>-</u>	<u>2,701,490</u>
	<u>6,403,486</u>	<u>6,525,110</u>	<u>(177,218)</u>	<u>12,751,378</u>

Oldham Hulme Grammar Schools
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

12. Reconciliation of net outgoing resources to net cash outflow from operations

	2015 £	2014 £
Net outgoing resources	(151,056)	(256,701)
Non-operating cashflows eliminated:		
Investment income	(301,105)	(276,073)
Donations	(152,509)	(40,974)
Depreciation	290,019	253,090
Increase in debtors	(34,845)	(14,564)
Increase in creditors	142,094	11,415
NET CASH OUTFLOW FROM OPERATIONS	<u>(207,402)</u>	<u>(323,807)</u>

Analysis of changes in net cash resources

	Cash £	Bank £	Total £
Balance as at 1 September 2014	702	92,650	93,352
Net cash (outflow)/inflow for 2014/15	(202)	405,470	405,268
Balance as at 31 August 2015	<u>500</u>	<u>498,120</u>	<u>498,620</u>

13. Operating Lease Commitments

	2015 £	2014 £
Plant & Equipment		
Amounts payable on operating lease expiring:		
Less than 1 year	3,832	2,466
Between 2 and 5 years	<u>26,855</u>	<u>28,407</u>
	<u>30,687</u>	<u>30,873</u>

14. Capital Commitments

At the Balance Sheet date the School had capital commitments which were authorised but not accrued of £230,000 in relation to a new heating system for the senior school building.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

15. 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 £499,653 (2014: £514,946) and at the year-end £70,375 (2014 - £nil) 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 2010 and, from 1 April 2014, the Teachers' Pension Scheme 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 was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. 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.

Contributions prior to 1 July 2015

For members in the one-eightieth structure of the Scheme, employers pay contributions at the rate of 10.6% of earnings and members pay contributions based on an age-related scale (equal to age divided by ten, plus 0.5).

In addition, employers may choose to pay any Future Service Contribution Rate (FSCR) combination that is shared between Members and Employers, as long as the maximum Member contribution rates are $[(\text{age} / 10) + 0.5]\%$. For reference, the total FSCRs prior to 1 July 2015 are 15.5%.

Employers that have closed the one-eightieth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.0% to reflect the higher costs of a closed arrangement.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

Contributions from 1 July 2015

For members in the one-eightieth structure of the Scheme, employers pay contributions at the rate of 22.8% per annum of member's earnings less member contributions.

In addition, employers may choose to pay any Future Service Contribution Rate (FSCR) combination that is shared between members and employers, as long as the maximum member contribution rates are $[(\text{age} / 10) + 3.5]\%$ (one-eightieth structure). For reference, the total FSCRs from 1 July 2015 are 22.8% (one-eightieth structure).

Employers that have closed the one-eightieth structure of the Scheme to new entrants are required to pay an additional employer contribution loading of 1.3% to reflect the higher costs of a closed arrangement.

As at the balance sheet date there were 38 active members of the Scheme employed by the School. The annual pensionable payroll in respect of these members was £1,034,000.

The School continues to offer membership of the Scheme to its employees and during the accounting period the employer paid contributions at the rate of 10.6%.

The Trustee commissions an actuarial valuation of the Scheme every three years. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2013 by a professionally qualified actuary using the 'projected unit' method. The market value of the Scheme's assets at the valuation date was £35.6 million. The valuation revealed a deficit of assets compared to liabilities of £16.4 million, equivalent to a past service funding level of 68%.

The financial assumptions underlying the valuation as at 30 September 2013 were as follows:

Rate of return pre retirement (non-orphans)	6.5
Rate of return post retirement (non-orphans)	4.3
Rate of return pre retirement (orphans)	3.0
Rate of return post retirement (non-orphans)	3.5
Rate of pension increases pre 5 April 2005	2.6
Rate of pension increases post 5 April 2005	2.1
Rate of price inflation	3.0

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation, it was agreed that the shortfall of £16.4 million would be dealt with by the payment of deficit contributions. The existing Recovery Plan, put into place following the 2010 valuation, has been replaced by a new Recovery Plan, effective from 1 July 2015.

1 April 2012 – 30 June 2015

An amount of £208,000 per annum, increasing each year by 3% is required. The School's share of these deficit contributions is £8,063 per annum, payable in monthly instalments of £672. These deficit contributions are in addition to the contribution rates set out above.

Oldham Hulme Grammar Schools

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2015

1 July 2015 – 30 April 2027

An amount of £1,152,000 per annum, increasing on 1 July each year by 3% is required. The School's share of these deficit contributions is £42,738 per annum, payable in monthly instalments of £3,562. These deficit contributions are in addition to the contribution rates set out above.

In addition to the above, an amount of £176,586 per annum, increasing on 1 July each year by 3% is required for Scheme expenses. The School's share of these Scheme expenses is £6,551 per annum, payable in monthly instalments of £546.

Employer "Debt on Withdrawal"

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

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.

16. Related party transactions

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

£1,147 was paid to Wilds of Oldham Limited of which A P Wild is a director
£870 was paid to Wrigley Claydon of which V A K Srivastava is a partner

17. Endowed Funds

The Schools' main building was deemed to be endowed in 2006 and the valuation placed on this as at 31 August 2015 was £2,701,490 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.

18. Subsidiary

The School owns 100% of the share capital of Oldham Hulme Grammar School (International) Limited which is a dormant company.